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Promoting security, jobs and growth in agriculture and agri-food

Federal budget supports new Agricultural Policy Framework

In the December 10 budget, the Government of Canada affirmed its commitment to providing its share of the predictable and long-term funding needed to support the new agricultural policy framework developed by the federal, provincial and territorial ministers of agriculture in Whitehorse.

"My colleagues and I launched this new policy direction in Whitehorse in June when federal, provincial and territorial agriculture ministers recognized the changing needs of producers and consumers," said Agriculture and Agri-Food Minister Lyle Vanclief. "We unani-

mously agreed in principle on an action plan to brand Canada as number one in the world in food safety, innovation, and environmentally sound production. The budget ensures the federal share of support will be available to help turn the Whitehorse policy framework into reality."

Along with support for a new long-term agricultural policy, the budget also contains several measures addressing the challenges facing Canadians living in rural and remote communities. These include: plans to encourage more of Canada's land base to be dedicated

to permanent cover crops, agroforestry and tree plantations; initiatives for environmental protection and strategic infrastructure; the creation of affordable housing in remote areas; a renewed commitment to high-speed Internet service through the SchoolNet and Community Access Programs (CAP); initiatives to help Aboriginal children; and tax deferrals for small- and medium-sized businesses.

As well, the government will continue to work with rural communities, their citizens, and stakeholders to develop local solutions to local challenges.

AAFC scientist appointed Member of the Order of Canada

In a ceremony at Rideau Hall on December 4, Dr. Vernon Burrows was appointed a Member of the Order of Canada for his contributions to the agriculture industry through research and innovation.

The Order of Canada is the nation's highest honour for lifetime achievement and distinguished service.

Dr. Burrows joined Agriculture and Agri-Food Canada in 1958 as a plant physiologist at the Eastern Cereal and Oilseed Research Centre (ECORC). During his 38-year career he developed an inter-

national reputation as an authority on oat breeding and cereal crop research. In 1968, he was named Chief of Cereal Section and went on to pioneer innovations in food, animal feed, and pharmaceutical and industrial applications. He developed 28 new oat varieties and received the prestigious Grindley Medal for the Hinoat variety in 1973. Although retired since 1997, Dr. Burrows has continued his research as a member of the Value-Added Technologies study at ECORC.

CFIP payment levels to increase

On November 28, Agriculture and Agri-Food Minister Lyle Vanclief announced payment levels will increase for the 2000 program year of the Canadian Farm Income Program (CFIP), putting an additional \$18 million in the hands of Canada's farmers.

In Manitoba and Saskatchewan, payment levels will go from 76 to 100 per cent and in Nova Scotia levels will increase from 80 to 100 percent. Producers who had already received a payment under the CFIP 2000 program should have received a top-up cheque by the end of December. All other producers who are eligible for a payment under the program will receive payments at the 100 per cent level.

Business as usual for Canadian dairy industry

On December 3, Canadian dairy producers, processors and exporters celebrated a significant decision of the World Trade Organization (WTO) Appellate Body to overturn an earlier panel ruling that said Canada's commercial export milk approach constitutes an export subsidy.

However, on December 18, the U.S. and New Zealand petitioned the WTO for a new compliance panel to look at the case again. The move is the first of its kind in WTO related matters, but was not totally unexpected.

"Unfortunately, but not surprisingly, both countries announced shortly after this victory that they will be asking the WTO to hold a further compliance panel on the matter," said Agriculture and

Agri-Food Minister Lyle Vancief. "It remains to be seen whether this will happen, but I want to assure producers that Canada is ready to continue fighting in their interest if needed."

After an earlier loss at the WTO in 1999, the federal government and the dairy industry worked together to make major changes to the way milk destined for exported dairy products is marketed. Not satisfied with these changes, the United States and New Zealand petitioned the WTO compliance panel which ruled that Canada's commercial export milk approach constituted an export subsidy.

Canada's successful appeal of that decision was launched in September of this year.

Canada successful at WTO Conference

Canada is closer to achieving its goal of a level playing field for world agriculture producers following the World Trade Organization (WTO) Conference in Doha, Qatar.

The 142 members of the WTO ended six days of intense negotiations with an agreement to launch a new round of trade talks aimed at establishing a fair, market-oriented agricultural trading system. These talks are to be concluded by 2005.

According to Agriculture and Agri-Food Minister Lyle Vancief, the next round of global trade negotiations promises to open up markets for Canada, brighten the future of Canada's farmers and increase opportunities in the developing world.

Prior to the WTO conference, Minister Vancief stated Canada's objective in Doha was to "achieve a substantial reduction or elimination of trade-distorting domestic support, the elimination of export subsidies and significant improvement in market access.

"We have achieved what we came to Doha for—the launch of broad-based negotiations that will allow us to get on with the job of negotiating a significant outcome in agriculture," said Minister Vancief. "This is good news not only for

Canada, but also for countries engaged in agricultural production around the world."

Highlights of the Doha negotiations, which affect Canada are:

- substantial reductions in trade-distorting domestic support and substantial improvements in market access for producers around the world, which would allow Canadian farmers to compete on an equal footing with their international competitors;
- negotiations on the reduction or elimination of tariffs on non-agricultural products, promising tangible benefits to Canadian exporters;
- negotiations on anti-dumping, subsidies and countervailing measures, which are relevant to some of Canada's major trade disputes, such as softwood lumber; and
- agreement that negotiations on services will continue under clear time lines, offering greater opportunities for Canada's service exporters in emerging world markets.

Complete details of the WTO draft declaration can be found on the DFAIT Trade Negotiations and Agreements Web page (<http://www.dfait-maeci.gc.ca/tna-nac/wto-e.asp>).

Marketing Canada's wheat

A \$1.9-million project based in Winnipeg is informing pasta producers around the world of the benefits of using Canada's durum wheat. The Pilot Pasta Plant, located at the Canadian Grain Commission and operated by the Canadian International Grains Institute (CIGI), opened in February 2000 and has been developing innovative marketing strategies for the sale of durum wheat varieties.

Recently, samples of pasta made from durum wheat were sent to various pasta processors and millers in Europe so they could test the new product. The aim of the project is to increase Canada's market share abroad with new products derived from durum wheat. The project is jointly funded by the Canadian Wheat Board and Agriculture and Agri-Food Canada through its Canadian Adaptation and Rural Development (CARD) fund.

Agri-food exports on the rise

Preliminary trade numbers released by Statistics Canada for the first six months of 2001 show the value of agri-food exports amounted to \$12.8 billion, a 12.6 per cent increase over the same period in 2000. The resulting trade surplus is \$3.4 billion, an increase of 18.3 per cent. Canada's exports to its top three markets have shown marked improvements since June 2000. The increase was largely affected by exports of canola, beef and pork with increases of 70.1 per cent, 26 per cent and 28 per cent respectively. The majority of products were shipped to the United States, Japan and Mexico.

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Canadian Seed Institute receives \$1.2 M in federal funds

A new program, funded in part by Agriculture and Agri-Food Canada, will help the Canadian grain industry meet the quality demands of a global clientele and seize new market opportunities around the world.

Agriculture and Agri-Food Minister Lyle Vanclief announced a total of \$1.2 million will go to the Canadian Seed Institute (CSI) to help develop its Market Delivery Value Assurance Program (MDVAP). Its purpose is to develop and implement a voluntary quality assurance program for the grains, oilseeds, pulse and special crops industries, allowing them to certify that their shipments contain the specific variety traits their customers want.

"Increasingly, both domestic and foreign grain buyers are demanding specific qualities that cannot be met by handling these commodities in bulk. This program will allow producers, grain handlers and marketers to meet

these demands," said Minister Vanclief. "I congratulate the Canadian Seed Institute for taking the lead and using its expertise to build such an assurance program."

Created in 1997, the CSI is a not-for-profit organization officially recognized by the Canadian Food Inspection Agency to provide specific quality assurance services to the seed industry. The CSI has been accrediting seed companies and seed testing laboratories to help them comply with regulations which govern the sector since its inception.

The assurance program will help develop standards and audit procedures. It will also begin research to verify grain purity, develop an Internet-based tracking system requiring key information during each step of the handling process and create a national third-party certification body.

Since the MDVAP is voluntary and

industry driven, producer groups, handlers, processors, and seed and grain testing organizations will be participants in its design to ensure their individual requirements are considered. The Canadian Grain Commission will work in partnership with the CSI on key aspects of the project, bringing together the Commission's experience in grain handling and quality assurance with the CSI's process certification expertise.

Agriculture and Agri-Food Canada's Canadian Adaptation and Rural Development (CARD) fund will provide MDVAP with \$700,000 of the total. The remaining \$500,000 in federal funding is being allocated under the department's Agri-Food Trade Program, which is designed to maintain or increase sales of agriculture, food and beverage products in domestic and foreign markets, by supporting industry activities in the areas of market access and development.

\$600K announced for an environmental initiative in NF

In November, Agriculture and Agri-Food Minister Lyle Vanclief announced Newfoundland and Labrador's \$247,500 share of the national Agricultural Environmental Stewardship Initiative (AESI). This new federal funding will help the province's farmers with environmental improvement projects.

Agri-Adapt Council Inc., an industry-led council representing a range of sectors in the province's agriculture and food sector, will deliver the AESI funding in Newfoundland and Labrador. The two-year program is expected to support projects enhancing environmental stewardship, improve the quality of soil, water resources and wildlife habitat, and reduce greenhouse gas emissions.

Funding will be used to develop and support a wide range of environmental projects, including environmental farm plans for individual farms, training materials, workshops and on-site farm demonstrations. The AESI and the funds for Newfoundland and Labrador support the national action plan for agriculture

agreed upon by federal, provincial and territorial agriculture ministers in Whitehorse in June.

The AESI is a national, \$10-million program being funded by Agriculture and Agri-Food Canada's Canadian Adaptation and Rural Development (CARD) fund and administered through 14 adaptation councils across Canada.

"The agriculture and agri-food industry is being driven by consumer demand for safe food produced in an environmentally sustainable way," said Minister Vanclief. "This fund is intended to help farmers across the country continue to work on key environmental issues, with the flexibility to create local solutions to local challenges."

Agri-Adapt Council Inc. also administers the province's share of the CARD fund provided by the federal government to assist the agriculture and agri-food sector in adapting to structural change and to capture market opportunities.

By March 2003, the federal govern-

ment will have provided \$4.46 million in CARD funding to Newfoundland and Labrador for adaptation purposes. To date, the council has committed more than \$3 million to 58 innovative projects.

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Real Property Institute of Canada awards

The Real Property Institute of Canada (RPIC) handed out its annual awards in November and two Agriculture and Agri-Food Canada (AAFC) employees were among the recipients.

Pierre Legault, Engineering Services, won for his work with AAFC's storage tank management program. Steven Morgan, Director of the Lethbridge Research Centre, won for his efforts on AAFC's contaminated sites inventory management software.

RPIC awards recognize outstanding real property projects and initiatives within the Canadian government. Mr. Legault and Mr. Morgan won their awards in the best practices category.

"This reflects well on the department's commitment towards environmental stewardship," said AAFC Deputy Minister Samy Watson. "It also demonstrates our ability in sharing with others our successes as these applications are now being used by other federal

departments."

Mr. Legault was assigned the responsibility of managing AAFC's inventory of storage tanks in 1997. At the time there were 440 storage tanks in the department's inventory and following consultations with many public and private organizations, work began on developing a single, consistent and integrated approach to managing these tanks. Mr. Legault's work resulted in the present Storage Tank Management Program.

Mr. Morgan is responsible for compiling and coordinating more than 10 years of the AAFC's environmental data and baseline studies. His work resulted in a Contaminated Sites Inventory Management Software (C-SIMS) designed to manage data associated with contaminated sites, ensure proper follow-up is being undertaken and compiles and generates information required for reporting purposes.

Prairie Grain Roads Program allocates millions to upgrade projects

The Province of Saskatchewan received approval for more than \$50 million worth of road improvement projects in 2001 and will receive another \$56.8 million in road improvements from the federal government over the next four years.

Minister of Natural Resources and the Minister responsible for the Canadian Wheat Board Ralph Goodale made the announcement in November on behalf of Minister of Agriculture and Agri-Food Lyle Vanclicf.

The funding is part of the federal government's Prairie Grain Roads Program (PGRP). A total of 67 projects in Saskatchewan received funding under year one of the PGRP – contributing to the upgrading of 564 kilometres of roadway.

"Saskatchewan's roads and highways are some of the busiest grain traffic routes in the world," said Minister Goodale. "They carry millions of dollars worth of grain every year and are extremely important to the economy.

The Prairie Grain Roads Program will help ensure these vital corridors of commerce remain in the best condition possible."

Under the PGRP – a five-year, \$175-million program aimed at grain-road upgrades in the four Western provinces – the federal government will invest \$106.8 million into the improvement of Saskatchewan's grain-impacted roads and secondary highways. Cost-shared injections by the province and municipal partners will trigger \$217 million in total project investment over the duration of the program.

The remainder of the federal funds will be distributed as follows: Manitoba will receive \$34 million over five years, \$32 million will be allocated to Alberta, and \$2.2 million is designated for road improvements in British Columbia's Peace River region. In total, the PGRP is expected to generate \$334 million worth of road work in Western Canada over the life of the program.

\$1M added to Livestock Environmental Initiative

In a November speech to the Canadian Pork Council, Minister of Agriculture and Agri-Food Lyle Vanclicf announced the addition of \$1 million to the renewal of the Livestock Environmental Initiative (LEI).

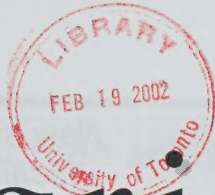
The LEI was announced in 1999 under Agriculture and Agri-Food Canada's Canadian Adaptation and Rural Development (CARD) fund. Its purpose is to help the livestock industry address environmental concerns through research, the development of technology and the acceleration of technology assessment and transfer. The additional funding brings the federal investment in the LEI to \$2 million which is matched by the livestock industry for a total of \$4 million to address environmental issues.

"The research and development projects funded under the LEI provide industry with tools and knowledge to address environmental issues," said Minister Vanclicf. "The work being carried out through the Initiative is a credit to the industry. By seeking environmental measures, the livestock sector is actively working to ensure a sustainable future for itself."

To date, the LEI has funded 15 research projects addressing waste and manure management, carcass removal and disposal, and air quality issues.

LEI funds are managed by an industry-led Livestock Initiative National Committee (LINC) which represents the beef, poultry, dairy, pork and other livestock sectors. The Canadian Pork Council acts as the delivery agent on this initiative.

For more information on the Livestock Environmental Initiative, visit www.cpc-ccp.com/envir_e.htm

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New Action Plan Framework signals positive change for the Canadian agriculture sector

Federal, provincial and territorial agriculture ministers took a major step towards securing the long-term success of the agriculture and agri-food sector at their annual meeting in the Yukon, on June 28, by agreeing in principle on a national action plan to make Canada a world leader in food safety, innovation and environmental protection.

During the meeting, Ministers agreed that the agriculture sector must meet growing demands from Canadian citizens and global consumers seeking assurances about the safety of the food they eat and the environmental impact of how it is produced. They also acknowledged that while advances in science are creating new opportunities for the sector, they are also bringing about new challenges, and that the sector is facing rapid change and is becoming an increasingly knowledge-intensive industry.

Ministers agreed that the ability of governments and stakeholders to manage these issues will determine the sector's future success and, in particular, the ability of Canadian producers and agri-food companies to maintain and enhance access to existing and emerging markets.

They also recognized that there will always be circumstances where farmers are faced with unanticipated income declines as a result of weather, disease and other factors beyond their control. The Ministers stated their commitment to the current review of farm safety nets, with the aim of completion by 2002, and agreed that work on the long-term direction, in close consultation with industry, will build on safety net funding.

"Our vision is for a sector that is

branded number one in the world. A sector fuelled by innovation and the latest research, including such things as life sciences, and squarely based on the highest standards of food safety and environmental protection." said Minister of Agriculture and Agri-Food Lyle Vanclief during the meeting. "Other countries – our competitors – are starting to move ahead in these areas. We cannot and will not be left behind in our bid for consumer confidence," added Minister Vanclief.

The action plan aims to build on Canada's reputation as a producer of safe, high-quality food, by strength-

ening on-farm food safety systems and securing their international recognition, and through the development of identity-preserving tracking and tracing systems throughout the food chain. The plan also aims to enhance the sector's environmental performance through accelerated adoption of sound environmental practices on the farm, and to use science to help the sector create economic opportunities with innovative new products.

For more information on Canada's action plan for an agricultural policy framework, visit www.agr.ca/cb/news/2001/n10629be.html @

Minister urges new round of WTO negotiations, real reform

Cairns Group Ministers were described as united and determined to push for agricultural reform, and committed to establishing a fair, market-oriented agricultural trading system by Agriculture and Agri-Food Minister Lyle Vanclief on September 5, 2001.

Mr. Vanclief made the comments at the 22nd Cairns Group Ministerial meeting in Punta del Este, Uruguay.

During the meeting, ministers reviewed the progress to date in the World Trade Organization (WTO) agriculture negotiations and stressed the importance of ensuring that the momentum continues in the lead up to and following the WTO ministerial meeting in Doha, Qatar in November.

"In the WTO agriculture negotia-

tions, Canada's objective is to achieve a substantial reduction or elimination of trade distorting domestic support, the elimination of export subsidies and significant improvements in market access," said Mr. Vanclief. He stated that these objectives were set out in Canada's initial negotiating position, and that Canada's negotiators will continue to pursue them aggressively.

Minister Vanclief also noted that production and marketing decisions on Canadian products will continue to be made in Canada, and that the federal government will continue to consult closely with the Canadian agriculture and agri-food sector and the provinces throughout these negotiations.


Canadian Agri-Food Awards of Excellence launched

Agriculture and Agri-Food Canada and the Royal Agricultural Winter Fair (RAWF) have launched five national awards to celebrate outstanding achievements in Canadian agriculture and agri-food. The Canadian Agri-Food Awards of Excellence will be given for innovation, environmental stewardship, export performance, agricultural awareness and education, and voluntarism, and will honour the achievements of individuals, groups, organizations, and businesses and their contributions to the vitality of Canada's agri-food sector.

"The agri-food sector is crucial to this country's economy and these awards honour those who keep us in

the forefront," said Minister of Agriculture and Agri-Food Lyle Vanclief. "Canada's reputation as a world leader in supplying high-quality food products is well known and the industry deserves a pat on the back."

"The awards will also recognize the tremendous role of the agri-food sector in the economic growth, environmental health and rural fabric of our country," added Minister Vanclief.

The awards will be presented on November 5, 2001 at the President's Luncheon at the Royal Agricultural Winter Fair in Toronto. Further information on the awards is available at www.agr.gc.ca/ag_awards_e.phtml 

Team Canada Atlantic trade mission finds success in U.S. south

A Team Canada Atlantic Trade Mission to Atlanta in May has produced \$750,000 in initial sales for nine participating food companies from across the region.


Several companies are now selling products in the U.S. southeast. Products range from Newfoundland fruit wines to processed fish, vegetable products and cheese. Others are finalizing distribution deals or contracts for future sales in the fastest growing market in the United States.

"The success that has been achieved by this group of entrepreneurs is further proof that Canadian agriculture and agri-food producers can compete and win in the international marketplace," said Minister of Agriculture and Agri-Food Lyle Vanclief. "I congratulate all of the businesses that attained great success during this trade mission in opening doors and identifying new opportunities," Minister Vanclief added.

During the mission nine companies

showcased their products at a "Taste of Atlantic Canada" food-tasting event prepared by Halifax-based chef Donald Walker. Atlanta food business representatives dined on potato wraps and grilled sausages, Malpeque oysters, fruit wines, Canadian cheddar cheese, crab cakes, Coquille St. Jacques and smoked salmon.

The Team Canada Trade Mission to Atlanta was organized by the Atlantic Canada Opportunities Agency (ACOA), Agriculture and Agri-Food Canada's Market and Industry Services Branch, the four Atlantic Provinces, the Department of Foreign Affairs and International Trade, Industry Canada, and the Alliance of Manufacturers and Exporters of Canada.

The nine food companies were among 37 Atlantic Canadian companies taking part in the mission. Over the next two years, the mission is expected to generate total sales of \$34.5 million. 


New state-of-the-art facility to benefit Saskatchewan farmers

Construction of a new \$2-million, state-of-the-art greenhouse and laboratory at Agriculture and Agri-Food Canada's (AAFC) Shelterbelt Centre in Indian Head, Saskatchewan, will enable the centre to upgrade its applied research activities in the areas of agroforestry, shelterbelt establishment, tree species improvement, tree care and diversification.

Minister Ralph Goodale recently toured the new facility, expected to be completed in October, which will allow for leading-edge research to uncover innovative environmental and rural renewal opportunities, from tree breeding for healthier and hardier varieties, to the reduction of greenhouse gases, and the exploration of a wide range of diversification alternatives.

This year also marks the centre's 100th anniversary. In 1901, its first year of operation, the centre distributed 35,000 trees. Today the centre distributes on average six million trees per year, and works with a number of partners to improve the quality of life of producers and to protect Canada's natural resources.

Operated by AAFC's Prairie Farm Rehabilitation Administration (PFRA), the Shelterbelt Centre has developed several superior tree and shrub species designed to thrive in the harsh Prairie climate. The centre is also testing a range of trees and shrubs as possible commercial options for farmers in the areas of fruit and maple syrup production, lumber production, and fibre potential for the wood processing industry.

Properly planned shelterbelts provide a range of benefits. In the field they protect soils and crops and reduce evaporation by lowering wind speed. Around farmyards they reduce wind, control blowing snow, protect livestock and buildings, and trap snow to help replenish dugouts. Shelterbelts also provide diversification opportunities and wildlife habitat, while mitigating the effects of climate change by sequestering atmospheric carbon. 

Funding for food and water safety projects announced

While in Saskatoon, Agriculture and Agri-Food Minister Lyle Vanclicf announced funding for two projects that will enhance food safety and water quality.

One of the two projects is a national program to provide information to veterinarians, as well as a program focusing on improving water quality in Saskatchewan. The support for the projects comes from the Government of Canada's \$60-million-a-year Canadian Adaptation and Rural Development (CARD) fund.

The Western College of Veterinary Medicine at the University of Saskatchewan has received \$112,000 to establish a global Food Animal Residue Avoidance Database (gFARAD) Centre in Canada.

The database will give Canadian veterinarians access to an international

pool of information on the use of livestock and poultry medicine. The Canadian gFARAD Centre will work in cooperation with the University of Montreal to provide timely, bilingual access to the database. This will allow veterinarians to make decisions based on the most up-to-date international and domestic information and further preserve the safety and quality of Canadian livestock and poultry.

For the second project, the Saskatchewan Wetland Conservation Corporation received \$78,319 toward its Prairie Water Care Program.

The program will establish and support local watershed stewardship groups throughout the province. Demonstration projects that improve water quality through conserving or restoring wetlands, riparian areas and native habitats will also be implement-

ed. Volunteers will help monitor water quality and pilot projects will demonstrate the value of conservation activities such as tree planting, seeding grass, fencing and setting up remote watering systems to control livestock access to wetlands.

"These projects are important because they focus on protecting our land and water, as well as our livestock and food quality," said Minister Vanclicf. "These initiatives reinforce Canada's international reputation as a supplier of safe foods and demonstrate our ongoing commitment to the protection of our environmental resources."

Started in 1995, the CARD fund is the Government of Canada's initiative to help the sector capture market opportunities. CARD supports projects at both the national and regional levels. (a)

Funding to enhance environmental action on Manitoba farms

Two new projects in Manitoba will help farmers step up efforts to improve the health of land and water and increase wildlife habitat, thanks to \$600,000 in federal funding, announced in Winnipeg by Agriculture and Agri-Food Minister Lyle Vanclicf.

"This funding will flow to projects that reflect the priorities of stakeholders in Manitoba," said Minister Vanclicf. "Farmers have a huge stake in the future health of land and water and as such have identified clear environmental goals. Agriculture and Agri-Food Canada is committed to helping them reach these goals and also to helping confirm Canada's reputation around the world as an environmentally-conscious producer of food."

The Manitoba Habitat Heritage Corporation will receive \$150,000 to set up fora for stakeholders that encourage cooperative efforts at restoring natural habitat. It will also receive \$450,000 to support individual

efforts across the province to establish off-site watering facilities, forage buffer strips, and fish and wild-life habitat.

Funding for the two projects comes from the Government of Canada's \$10-million national Agricultural Environmental Stewardship Initiative (AESI), announced last June by Minister Vanclicf.

Manitoba's \$990,000 share of the national program is administered by the Manitoba Rural Adaptation Council, an industry-led group that also distributes funds from the Government of Canada's \$60-million-a-year Canadian Adaptation and Rural Development (CARD) Fund.

The two projects were selected by the council following extensive consultations with industry on its environmental goals and priorities.

The AESI provides funds for projects which address the regional impacts of agricultural practices on

water quality, soil health, and wildlife habitat and biodiversity. It is financed by the CARD fund and is one element of CARD's comprehensive approach to environmental sustainability. (a)

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Organic research centre to be built in Nova Scotia

A national centre for education and research in organic agriculture will help quench a growing thirst for knowledge in this fast-emerging sector and give Canada's producers an advantage over international competition.

Agriculture and Agri-Food Minister Lyle Vanclief was in Baddeck, Nova Scotia to announce \$854,700 in federal funding for the facility. Known as the Organic Agriculture Centre of Canada, it will be based at the Nova Scotia Agricultural College (NSAC) in Truro and will carry out initiatives in collaboration with colleges and universities across the country.

Canada's organic sector is enjoying

\$1 billion-a-year in retail sales and a 20 per cent annual growth rate. There are also significant opportunities to further this growth in major markets such as the United States, Europe and Japan.

The centre will ensure organic farmers and those interested in making the transition into organic production have the expertise they need. The centre will also provide leading-edge technologies.

"Support for the organic sector is part of the Government of Canada's ongoing commitment to helping the sector diversify and pursue new growth opportunities," said Minister Vanclief. **(a)**

P.E.I. potatoes gain improved access to U.S. markets

Prince Edward Island potatoes will gain improved access to U.S. markets thanks to an agreement reached with the United States Department of Agriculture for the 2001 crop of P.E.I. potatoes.

Under the agreement announced by Minister of Agriculture and Agri-Food Lyle Vanclief on August 1, many restrictions that were imposed on the 2000 crop as a result of an isolated case of Potato Wart have been removed. These include requirements to both wash and sprout inhibit potatoes destined for the U.S. market.

"The replacement of restrictive import conditions by science-based measures such as crop inspection, surveillance, and reporting has been the Government of Canada's objective from the outset," said Minister Vanclief in response to the latest negotiations with USDA officials.

The Government of Canada's efforts to work in cooperation with the U.S. and its stringent adherence to risk mitigation procedures have led to a strong base of scientific evidence to support the latest relaxation of export requirements to the United States.

"Together with industry and the PEI government, the Government of Canada has worked extremely hard to resolve this issue and improve access to U.S. markets," said Minister Vanclief.

Minister Vanclief also emphasized that the Government of Canada will continue to work with the U.S. to resolve all remaining issues relating to the export of PEI potatoes. **(a)**

Canada to Appeal WTO Dairy Ruling

Agriculture and Agri-Food Minister Lyle Vanclief and International Trade Minister Pierre Pettigrew announced that Canada will appeal the ruling of the World Trade Organization (WTO) Compliance Panel on Dairy.

"We firmly believe that Canada has fulfilled its international obligations concerning dairy exports and that the approach we have taken fully complies with the WTO rules," Minister Vanclief said. "We will therefore be working with industry stakeholders and the provinces to mount the strongest appeal possible."

Canada's dairy supply management system uses farm-level production quotas to match milk production to domestic requirements for milk and dairy products. The system helps provide efficient dairy producers with a fair return on their labour and investment while ensuring Canadians have an on-going supply of high-

quality milk and dairy products at reasonable prices.

The Panel's ruling, if left to stand, would have the effect of setting new rules for what practices are to be considered as providing an export subsidy. This could have implications not only for Canada's approach to dairy exports, but also for some practices of several of its trading partners, including the United States and the European Union.

In 1999, following a challenge by the United States and New Zealand, a WTO Panel ruled that Canada's export pricing system for dairy products such as butter, cheese, skim-milk powder and other products constituted an export subsidy.

According to the ruling, the manner in which dairy exports take place in all provinces is not consistent with Canada's WTO international obligations. **(a)**

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Ministers discuss need to move beyond short-term income problems

Federal and provincial agriculture ministers and a representative from Yukon discussed the immediate income problems of producers and a range of other challenges facing the Canadian agri-food industry during a day-and-a-half meeting in Quebec City, March 6-7. The meeting included a full and frank exchange on income issues and short-term support to farmers.

Ministers discussed the need for a long-term strategy to ensure the sector is well placed to take advantage of future opportunities. They agreed on the urgency of working toward a flexible and comprehensive policy framework that will ensure security through research and innovation and the management of all types of risks.

Ministers acknowledged that consumers are raising the bar with respect to the food they purchase, demanding assurances of its safety and the envi-

ronmental impact of its production process.

Ministers agreed to work on building on the solid reputation Canada has for food safety and environmental sustainability, as well as on assessing the package of safety net programs and other tools farmers need to adjust to market changes.

Ministers underlined that producers are central to any long-term strategy for the agriculture and agri-food sector and that they will be consulted as full partners in the development of any framework.

During the meeting, Minister of Agriculture and Agri-Food Lyle Vancielief underlined the fact that the federal government has put \$1.6 billion on the table to help Canadian farmers. With full provincial participation on the established 60:40 basis, a total of \$2.6 billion will flow to farmers facing serious income and

other pressures.

"The federal government is committed to helping Canada's farmers," Mr. Vancielief said at the meeting of federal-provincial agriculture ministers, adding "The federal government has more money on the table now than at any time since 1995."

Mr. Vancielief underlined that the \$500 million he announced March 1 in new federal assistance to farmers is in addition to the \$1.1 billion the government had already set aside for farm income safety nets this year. The federal government is also making \$700 million in interest-free loans available to help farmers get their crops in the ground this spring.

During the ministers' meeting, Mr. Vancielief also recommended the two levels of government work together in the coming months to evaluate current safety net programs to ensure the (See *Income problems* on page 2)

\$700 million in interest-free loans available to farmers

An anticipated \$700 million has been made available to help farmers get their crops in the ground this spring, with the March 6 announcement of an increase in the limit for interest-free loans to farmers.

Under the Spring Credit Advance Program, producers will now be eligible to apply for interest-free loans up to \$50,000 - compared to a limit of \$20,000 last year.

"We are pleased to provide this increase, to help give those producers facing cash-flow pressures the operating credit to get off to a good start in the coming growing season," said Minister of Agriculture and Agri-Food Lyle Vancielief.

The Minister noted that the spring program was well received when it was announced last year, but that due to rising fuel and fertilizer costs, pro-

ducer groups asked for an increase to \$50,000.

Last year, the first year of the Spring Credit Advance Program, 31,000 producers borrowed \$356 million. Farmers who apply must also participate in the crop insurance program or another program that provides similar security.

The program will operate under (See *Interest-free loans* on page 2)

Funding announced for CRP pilot projects

As part of the Government of Canada's continuing commitment to enhance and strengthen the quality of life in Canada's rural and remote communities, funding in the amount of \$2.2 million was announced February 2 for the Canadian Rural Partnership (CRP) Pilot Projects initiative for 2001-2002.

Funding for the CRP was first announced in the 1998 Federal Budget as part of the Government of Canada's

rural development strategy. A portion of the funding is used to develop projects proposed by Canadians in rural and remote areas.

The initiative supported 239 projects across Canada in its first three years. These projects involved innovative approaches to community development in rural and remote Canada, and addressed 11 priority areas identified by Canadian citizens through the Rural Dialogue. The Pilot Projects ini-

tiative places a focus on partnerships between governments and communities to facilitate development.

Guidelines for applying are available on the Canadian Rural Partnership Web site at www.rural.gc.ca or by calling 1-888-781-2222. Information on CRP pilot projects funded in the last three years of the program is also available on the CRP Web site. All proposals must be received by April 30, 2001. ■

Income problems

(continued from page 1)

\$2.6 billion is being used effectively.

"In the short term, we need to get money to producers as quickly as possible," said Mr. Vanclief, adding, "At the same time, we need to undertake a review of how money is being spent, and we need to work together on a longer-term strategy for moving the sector beyond crisis management." That longer-term strategy, Mr. Vanclief said, needs to ensure farmers can meet rising consumer expectations on food safety and the environment.

"We owe it to our farmers – we owe it to all Canadians – to ensure

that Canada's agriculture and food system is a world leader in meeting the highest standards of safety and environmental protection."

Ministers were also updated on the status of the agriculture negotiations at the WTO in Geneva, and on federal measures to prevent the introduction of foot and mouth disease into Canada. They were united in support of stringent measures to keep this disease out of the country.

The annual meeting of Federal-Provincial-Territorial Ministers will take place in June in Whitehorse, Yukon. ■

Interest-free loans

(continued from page 1)

terms and conditions similar to those of the Advance Payments Program, and will be available for all commodities covered under that program. Payments to producers under the act come in the form of loans guaranteed by the Government of Canada and are administered through local producer groups and the Canadian

Wheat Board.

The increase in interest-free loans is in addition to the announcement on March 1 that the Government of Canada will provide an additional \$500 million in emergency assistance to address the challenges currently facing the agriculture industry. ■

EU opens its borders to Canadian ice wine

Years of efforts by the federal and provincial governments and the Canadian wine industry paid off on March 1 with the announcement that Canadian icewine will be granted access to the important European market.

"I want to acknowledge the important role the Canadian wine industry has played in developing the icewine standards necessary to meet European Community quality requirements," said Minister of Agriculture and Agri-Food Lyle Vanclief.

Canada has become a global leader in producing its award-winning icewine – a sweet dessert wine made from grapes left to freeze on the vine. Securing access for Canadian wine has been a key priority for Canada.

Minister Vanclief described the announcement as an important step in the ongoing discussions between Canada and the European Commission on resolving issues related to wine and spirits, noting it will facilitate further progress in future discussions towards agreement. ■

Vanclicf meets with U.S. counterpart, outlines pressing Canada-U.S. agricultural trade issues

The first step towards the establishment of a good working relationship between Canada and the new administration in the United States on agriculture-related issues took place March 9 in Washington when Minister of Agriculture and Agri-Food Lyle Vanclicf met U.S. Agriculture Secretary Ann Veneman.

"It was an opportunity to outline a number of pressing issues that need to be addressed," said Mr. Vanclicf. "We discussed topics of importance to farmers on both sides of the border."

Mr. Vanclicf stressed to Ms. Veneman the importance of resolving the P.E.I. potato issue based on sound science, and stated Canada will be working hard in the WTO talks to substantially reduce or eliminate production and trade-distorting farm subsidies and

level the international playing field.

"I am committed to working to resolve issues of interest to Canadian

example, how we are working co-operatively to protect the North American market from foot and mouth disease and pursue our mutual interests concerning such key areas as research and biotechnology."

Overall two-way trade between Canada and the U.S. is valued at \$1 billion a day, with daily cross-border trade in agricultural products worth about \$69 million.

"The Canada-U.S. agricultural relationship is important to both countries," added the Minister. "We both have an important stake in ensuring that we manage our bilateral relations well. Producers, processors and consumers are counting on us to maintain a good

climate for continuing economic growth and prosperity in the farming sector." ■



Minister of Agriculture and Agri-Food Lyle Vanclicf meets with U.S. Secretary of Agriculture Ann Veneman March 9 in Washington

producers and I look forward to working with Secretary Veneman to that end," he said. "We discussed, for

Government of Canada continues to defend dairy industry

Canada's dairy industry has made changes to bring itself into step with World Trade Organization (WTO) commitments and the federal government is fully prepared to defend those changes.

That was the message delivered by Agriculture and Agri-Food Minister Lyle Vanclicf and International Trade Minister Pierre Pettigrew in response to the lists of possible trade measures against Canada released by the United States and New Zealand on February 16. The Ministers also stressed that the actions from the U.S. and New Zealand are part of WTO procedure and do not mean any trade action is on the immediate horizon.

The lists outline products against which the two countries could request

permission to retaliate if the WTO rules Canada has failed to bring its dairy export process into step with its WTO commitments.

"There are a number of steps in the WTO process that have to take place before any retaliation is possible," said Mr. Vanclicf. "Retaliation would only be possible if Canada is found non-compliant with its WTO obligations. The Government of Canada, provincial governments and the dairy industry have worked together on measures we believe bring us into compliance and we will vigorously defend them."

The U.S. and New Zealand, on February 16, officially requested a WTO Compliance Panel to look into the situation. The lists for potential retaliation were submitted as part of

this request. However, neither country can retaliate until the WTO process is completed.

The panel was established on March 1, and a ruling on the matter is expected by late May 2001. If an appeal is requested, final decisions will be known by late September 2001.

The Government of Canada began working with provinces and industry to bring itself into compliance in October of 1999 after the WTO appeal upheld an earlier ruling that Canada's export pricing practices on some of the milk used in dairy products constituted an export subsidy. The ruling was a result of a case brought against Canada by the United States and New Zealand. ■

AgriSuccess helps producers achieve long-term success through planning

Canadian producers now have easier access to the business planning tools they need to make their operations a long-term success.

AgriSuccess, a partnership of public and private sector organizations, offers co-ordinated services to help producers with life cycle planning issues, including succession and retirement planning, as well as business and environmental management. It features an interactive Web site and seminars that will be held country-wide.

AgriSuccess partners represent all regions in Canada and bring together a broad base of agricultural and busi-

ness expertise. They include Farm Credit Corporation, Robinson & Company LLP, KPMG LLP, Meyers Norris Penny LLP, Grant Thornton LLP, Union des producteurs agricoles, ProAgri Consulting Limited and the Canadian Farm Business Management Council.

"AgriSuccess will provide Canadian producers with access to information and services that will help them make the best decisions in planning for their business, retirement and the future of the family farm," said Minister of Agriculture and Agri-Food Lyle Vanelief.

AgriSuccess will help the estimat-

ed 120,000 Canadian farmers who will turn 65 in the next 10 years make plans to transfer their operations to the next generation. A recent study by the University of Guelph and the Ontario Ministry of Agriculture, Food and Rural Affairs indicates that less than five per cent of farmers have a written succession plan.

AgriSuccess partners will begin holding seminars across the country this fall. Seminars will feature local accounting and planning professionals who understand local issues.

Producers can also choose planning options at the AgriSuccess Web site: www.AgriSuccess.ca ■

Inter-American Network of Organizations of Agri-food Exporters launched

The creation of the Inter-American Network of Organizations of Agri-food Exporters, expected to increase agri-food exports in the Americas and make the industry more competitive, was officially announced March 6. The announcement was made by Agriculture and Agri-Food Minister Lyle Vanelief and Mr. Roberto Martinez Villanueva, Associate Deputy Director General of the Inter-American Institute for Cooperation on Agriculture (IICA) and Director of External Relations.

Created on the initiative of IICA, in cooperation with Agriculture and Agri-Food Canada and the Quebec Agri-Food Export Club, the Inter-American Network of Organizations of Agri-food Exporters is intended to increase and diversify agri-food exports throughout the American hemisphere.

"Canada is recognized worldwide for the quality and safety of its agri-food products," said Mr. Vanelief.

"Joining the network shows Canada is making every effort to help its industry prosper in international markets."

The network will promote trade among its members and increase the number and diversity of agri-food exporters in the Americas. To that end, the network will establish training and information exchange programs among member associations and countries. It will act as a centre of expertise for agri-food product labelling in the Americas and will promote the interests of export associations by bringing agri-food trade issues to the attention of the public and governments.

The network currently consists of 18 agri-food export associations from Bolivia, Canada, the Caribbean nations, Chile, Costa Rica, the United States, Ecuador, Mexico, the Dominican Republic and Venezuela. Its head office is in San Jose, Costa Rica. ■

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Promoting security, jobs and growth in agriculture and agri-food

It's time to celebrate agriculture and food! Hats off and napkins on!

by Agriculture and Agri-Food Minister
Lyle Vanciel

Throughout our agricultural history, harvest time has been a time to marvel at the abundance our land can produce, and give thanks. During this year's harvest, we're going to celebrate!

It's called the Canadian Agriculture and Food Celebration – and we couldn't think of a better millennium project than one which aims to show everybody what a bounty this country's agriculture and food industry creates each year.

No matter where you live – we're doing this with the provinces and each province has its own special plan – we have projects, special events, information sessions and a lot of fun things going on to help spread the word about the good things that are happening in agriculture.

Residents of New Brunswick are going to be offered a special look at

daily farm life when more than 100 farms open their gates to the public during the provincial 'Open Farm Day.'



Agriculture and food celebration
Fête de l'agriculture et de l'alimentation

A poster contest, which will be held across Atlantic Canada, will give children the opportunity to show their agriculture stuff under the contest theme 'What Agriculture Means to Me.' In Alberta, residents can take part in a

'Harvest Gala' to sample the best of what that province's agriculture industry has to offer. These are just a very few examples of some of the great and fun events taking place across Canada this October.

In Ottawa, I'll be launching the 2000 edition of the Celebration to help generate some much deserved applause for the sector at the beautiful Château Laurier. The launch will feature a lunch prepared by renowned Canadian Chef David MacGillivray, who celebrates food by preparing some of the best culinary creations imaginable.

I encourage everyone to keep an eye out for celebration activities in their area this October, and to remember the role agriculture plays in their lives every day.

Wherever you live, we've got good stories to tell, from our beautiful and bountiful farms to the final product on your plate. So let's celebrate!

National trade exposition to support Canada's grocery industry

A new national trade exposition, Grocery Innovations Canada (GIC), has emerged on the grocery industry scene with the goal of supporting and promoting the country's \$64 billion grocery industry.

The event, scheduled to take place October 22nd to 24th at the Metro Toronto Convention Centre in Toronto, will bring together Canada's leading corporate and government food organizations for a world-class exposition.

GIC is a partnership venture among the Canadian Council of Grocery Distributors (CCGD), the Canadian Federation of Independent Grocers (CFIG), the Canadian Food Brokers Association (CFBA) and the Food and Consumer Products Manufacturers of Canada (FCPMC). It is supported by Agriculture and Agri-Food Canada and the Ontario Ministry of Agriculture, Food and Rural Affairs.

The exposition and conference are

expected to become an annual focal point for the grocery industry, with attendees that will comprise senior grocery industry executives, retailers, buyers and distributors from both Canada and abroad.

Like its predecessor, Grocery Showcase Canada, produced by the Canadian Federation of Independent Grocers, this new exposition will continue to serve the needs of the domestic retail market, while expanding its
(See *Grocery Innovations* on page 4)

New partnership to benefit Okanagan agriculture industry

A university college and two levels of government have joined forces under a new agreement that should yield positive results for the Okanagan's agriculture and agri-food industry.

Agriculture and Agri-Food Minister Lyle Vanclief was in Summerland on August 10 to sign a Memorandum of Understanding (MOU) that provides a framework for collaboration on a variety of projects between Agriculture and Agri-Food Canada's Pacific Agri-Food Research Centre (PARC), the Okanagan University College (OUC) and the municipality of Summerland's University Committee.

"Research and development is crucial to success in today's competitive

agricultural economy," said Mr. Vanclief. "The industry is changing at an unprecedented pace and top-notch research is one of the best ways to capitalize on emerging opportunities. This MOU will help ensure local farmers and food processors have access to the best and most efficient research network possible."

The MOU will help the three organizations expand cooperative research and educational activities and develop programs and projects involving the exchange of materials and information, scientists, students, specialists and researchers. It will also help lay the framework for a new initiative aimed at helping local First Nations with training and development in horticulture.

The agreement creates a working relationship between PARC, OUC and Summerland and is expected to yield projects and programs that will benefit research, the agri-food industry, post-secondary education and the economy of the region.

An important part of the agreement calls upon the parties to encourage the involvement of other interested agencies. As such, they will be looking to involve the scientific, academic and business communities into their activities.

The three parties involved in the MOU will appoint representatives to meet at least twice yearly to review the activities carried out under the agreement and discuss future cooperative initiatives. ■

Rural-urban youth exchange program benefits young people

A rural-urban youth exchange program, entitled People Developing People, developed to help Canadian youth expand their horizons and acquire new experiences and knowledge, was recently completed with the help of a \$30,000 contribution from Agriculture and Agri-Food Canada's Millennium Rural/Urban Youth Exchange Program. People Developing People was one of the initiatives approved under the program.

Under the initiative, the 4-H Program in Alberta, in partnership with various Boys and Girls Clubs, the Deh Cho Friendship Centre and Lutsel K'e Dene Band, both of N.W.T. and the 4-H Program in the Western Provinces, planned and organized three exchanges which were held at the Alberta 4-H Centre at Battle Lake.

The People Developing People project focused on environmental education and personal development in a group atmosphere. During the six-day program, delegates developed and carried out an environmental hearing, with the aim of increasing their knowledge

and understanding of agriculture and its relationship to the environment. Delegates also had an opportunity to express their feelings and opinions about issues such as Canadian and community citizenship, urban and rural challenges and opportunities, careers in agriculture, and the many issues affecting both urban and rural youth today.

Exchanges took place in Alberta July 30 to August 4, July 23-28 and August 13-18 and involved 216 youth from Alberta, B.C. Saskatchewan, Manitoba and the North West Territories.

A AFC's Rural/Urban Youth Exchange Program provides opportunities for young Canadians to discover and understand other parts of Canada and encourages them to meet and make friends with Canadians from diverse regions of the country. It also enhances individual personal development, enrichment and the cooperation of potential community leaders.

Other projects approved under the Rural/Urban Youth Exchange Program include an exchange between Nova

Scotia and Yukon youth and Ontario and Nunavut youth, a conference organized by the Manitoba 4-H Council and an exchange organized by the Regional Cooperative Development Centre in New Brunswick. ■

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Quebec rural and agri-food sectors recognized at 4th Annual Excellence Awards Night

Excellence in export performance, the quality of rural development initiatives, environmental protection efforts enhancing the agriculture profession, and the success of research and development projects carried out in partnership with AAFC were honoured August 25 at Agriculture and Agri-Food Canada's (AAFC) 4th annual Excellence Awards Night.

The annual awards night, chaired by Lyle Vanclief, Minister of Agriculture and Agri-Food and Minister Coordinating Rural Affairs, is held as part of the Expo Québec agri-food exhibition, and recognizes outstanding achievements in Quebec's rural and agri-food sectors.

"The performance of the rural and agri-food sectors in Quebec reflects its tremendous vitality and ability to meet the challenges presented by the new millennium with the emergence of a new phase of the knowledge economy - the life sciences revolution," Mr. Vanclief said.

The Quebec Agri-Food Export Club, Solidarité rurale du Québec, the Union des producteurs agricoles, and the Coopérative fédérée de Québec, as sponsors, were responsible for coordinating the selection committees. The three winners received a cash prize of \$10,000, while a research credit was presented to the winner of the Research Partnership Award.

The 2000 Méritas Export Award, given to a company which has made its mark on international markets, was presented to the company Au Printemps Gourmet of Prévost.

Les Créations artistiques de la Solidarité of Saint-Narcisse received the Rural Development

Award in recognition of innovative rural development projects carried out for the benefit of local and regional communities.

The Fédération des producteurs de cultures commerciales du Québec won the 2000 Agriculture Enhancement Award, given in recognition of an original and positive environmental protection initiative enhancing the agriculture profession.

The Coopérative fédérée de

Québec received the 2000 Research Partnership Award for the GéoPhyte project of the Techno Champs farm in Sainte-Rosalie, aimed at developing diagnostic assistance tools for identifying, with the help of aerial and satellite images, the causes of yield variations in fields under cultivation.

Information on the winning companies and runners-up is available on AAFC's website at www.agr.ca/cb/news/2000/n00825ce.html.

Centre for Innovation, Precision Farming program at Olds College receive funding

A new Olds College Centre for Innovation and Precision Farming Program have received federal funding in the amounts of \$350,000 and \$414,000 respectively, from the Government of Canada's \$60-million-per-year Canadian Adaptation and Rural Development fund. The new initiatives are expected to give a substantial boost to Alberta's agriculture and agri-food industry.

"These programs will help Alberta's agriculture and food industry take maximum advantage of the latest technologies, the latest research and the latest market and training information," said Agriculture and Agri-Food Minister Lyle Vanclief. "The future prosperity of Canada's agriculture and agri-food industry will be decided largely by its ability to harness the latest information and research developments."

The Centre for Innovation will feature two core initiatives including an innovation and agri-business program and an applied research and commercialization program.

The agri-business and innovation program is set up to conduct agri-

business, industry-specific training and feasibility studies. Important to this area of the overall program will be the development of a new Alberta agri-product and technology database to enhance the ability to disseminate innovation information and new opportunities to industry.

The applied research and commercialization program will conduct applied research in key areas, coordinate technology transfer and commercialization of new products and provide labs and linkages with Alberta research groups.

The CARD funding will also help create a Centre for Excellence in the development and delivery of specialty precision farming training and applied research at Olds College. The project's strength is that it will offer the latest technology in agricultural practices and funding that, when combined with strong industry investment, will help it become a self-sustaining program at the College. Information generated through the Centre will be offered to a wide range of persons including full-time and non-credit students. ■

Support of adaptation in Nova Scotia hits milestone

With the delivery of cheques for two local projects in the Kentville area on August 31, 2000, Agri-Futures Nova Scotia, an industry-led adaptation council administering the Government of Canada's Canadian Adaptation and Rural Development (CARD) program, surpassed the \$1.75 million mark in funding for projects aimed at improving the long-term competitiveness of the Nova Scotia agriculture sector.

The projects, among more than 100 that have been supported by the council since 1997, include: testing to improve the storage quality of processing potatoes; a moni-

toring program to control the European corn borer that devastated the province's processing bean industry in 1998; and, an indexing system to help apple growers determine the best time to harvest as well as a trial orchard that is experimenting with yields by planting apple trees closer together.

"I am pleased to see the way Agri-Futures Nova Scotia is putting the CARD fund to work," said Agriculture and Agri-Food Minister Lyle Vancief. "Through this program, those who have struggled with challenges in their sectors are joining forces with others in the industry to find practical

solutions through research, marketing and new and innovative production practices."

Between 1997 and 2003, the Government of Canada will have made available up to \$4.2 million to Agri-Futures Nova Scotia for eligible projects in the areas of marketing, rural development, human resource development and the environment.

Created in the 1995 federal budget, the CARD fund is a \$60-million-a-year initiative designed to provide Canada's agriculture and agri-food industry with the necessary tools to adapt to a changing world economy. ■

\$5M upgrade to Harrington Research Farm in P.E.I. announced

Agriculture and Agri-Food Canada's Harrington Research Farm in Charlottetown is set to be upgraded thanks to funding announced September 14 by Andy Mitchell, Secretary of State (Rural Development) (Federal Economic Development Initiative for Northern Ontario), on behalf of Minister of Agriculture and Agri-Food Lyle Vancief.

The cost of the upgrade is estimated at more than \$5 million and underlines the Government of Canada's continuing commitment to growth, sustainability and innovation in the agriculture sector in Prince Edward Island and across the country.

The new facilities will allow AAFC's Crops and Livestock Research Centre to work more efficiently by consolidating its field crop research at the Harrington Farm, drawing together research that is currently carried out at three

different sites.

"All of Agriculture and Agri-Food Canada's research centres make significant contributions to the success of our country's agriculture and food sector," said Minister of Agriculture and Agri-Food Lyle Vancief. "By bringing together the Crops and Livestock Research Centre's facilities into one location, this funding will help the centre continue its excellent work."

The Crops and Livestock Research Centre and its satellite farms have been a major partner in the development of Island and Canadian agriculture for more than 80 years.

The centre, one of 19 Agriculture and Agri-Food Canada research facilities across the country, specializes in sustainable farming systems. It develops and transfers technologies in integrated crop and livestock systems that protect natural resources and the environment. ■

Grocery Innovations

(continued from page 1)

role to include all sectors of Canada's food and grocery industry into one important trade show and conference. These new corporate alliances will make GIC one of the country's largest and most authoritative annual grocery industry showcases.

GIC will feature the usual commercial displays as well as information on the newest grocery marketing trends and e-commerce. In support of trade, GIC will be promoted in the U.S. to attract visiting buyers and provide opportunities for export-ready exhibitors. Industry seminars aimed at specific industry sectors and business interests will also be held.

For more information on Grocery Innovations Canada, visit its Web site at www.groceryinnovations.com. ■

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Promoting security, jobs and growth in agriculture and agri-food

Ministers agree to new \$5.5 billion National Safety Net framework agreement

A new three-year National Safety Net framework agreement, finalized by federal, provincial and territorial agriculture ministers during their annual meeting in Fredericton, New Brunswick, July 5, will inject up to \$5.5 billion into a new national farm income safety net package for Canada's farmers.

The new framework, which will offer more stability to the agriculture sector, follows many months of intense discussion among the federal government, the provinces and farm representatives.

Ministers have achieved a balanced agreement that responds to the overall needs of the sector as well as province-specific concerns. Ministers underlined the fact that through commitment and perseverance an excellent standard has been set for federal-provincial co-operation in agriculture.

The agreement sets a foundation for a package of programs to address a variety of farm income problems



Minister of Agriculture and Agri-Food Lyle Vanciel during the announcement of the new National Safety Net framework agreement in Fredericton, New Brunswick, July 5, 2000

resulting from such factors as fluctuating prices, poor weather and foreign subsidies. The ministers believe this

long-term security means the agricultural industry will be able to continue making major contributions to the quality of rural life in Canada.

The deal will see an investment of up to \$3.3 billion in federal funding over three years. Provinces would provide up to \$2.2 billion. The jointly agreed-to programs will be cost-shared under the traditional 60-40 federal-provincial arrangement, targeted to need and minimizing potential trade challenges.

The new framework provides the basis for federal and provincial core safety net programs comprising fall cash advances, Net Income Stabilization Account (NISA), Crop Insurance and province-specific programs; and for the first time, an ongoing income disaster protection component, which farm groups had asked to be included.

(See *Safety Net framework* on page 2)

Principles of new agriculture disaster plan announced

Following the signing of a new three-year safety net framework agreement the day before, Federal, Provincial and Territorial Ministers of Agriculture closed their annual meeting in Fredericton on July 6 by setting out the general principles of a proposed Canadian Farm Income Program (CFIP) – the next generation in disaster assistance programming.

Under CFIP, the federal government will contribute up to \$1.3 billion over three years, with the provinces providing up to \$870 million for a total of almost \$2.2 billion. These funds are part of the three-year, \$5.5-billion agreement announced by ministers on July 5.

CFIP will provide farmers with additional, ongoing protection

against dramatic income reductions, above the core safety net package of Net Income Stabilization Account (NISA), crop insurance and province-specific companion programs. Its principles will be applied across the country but it will also offer signatories flexibility to address producer-specific needs.

(See *Agriculture disaster plan* on page 2)

Agriculture disaster plan

(continued from page 1)

The major principles of CFIP are that: it is targeted to farmers in need, based on whole farm income; it is geared to ensuring incomes at 70 per cent of an historic average; it treats all farmers similarly regardless of what commodities they produce and includes all labour (family and non-family) as an allowable expense; it will minimize the potential for trade challenges; and, it will be better integrated with NISA.

Program details are expected to be finalized by September. Ministers emphasized that CFIP will offer farmers secure risk protection. This new program is a component that farmers had asked ministers to include in any new safety net agreement.

Some provinces have already approved the plan in principle, while others will be making funding decisions as part of their budgetary process.

During the three-day meeting, federal negotiators also updated Ministers on the status of World Trade Organization talks on agriculture which began in March 2000.

Canada's proposal on market access was tabled in Geneva June 22 and has received encouraging support from numerous other countries. Ministers affirmed their commitment to work together and to consult producers about developments in the negotiations.

Ministers also discussed the possibilities for Canadian agriculture resulting from the advances in information and biological technologies. Recognizing the value of innovation and diversification, they agreed to continue exploring potential applications in areas such as pharmaceuticals, construction materials and renewable energy products. Ministers recognized the potential to not only enhance the sustainable growth of the sector through greater diversification, but also to contribute to a healthier environment for all Canadians.

Finally, there was a consensus to increase efforts of the federal/provincial/territorial working group on biotechnology. Ministers reaffirmed the importance of ensuring the safety of Canada's food, including a rigorous regulatory system. ■

Minister announces winner of 4-H Trade awareness competition

The topic of Canadian international trade has proved a rewarding one for Gordon Henley, a 4-H Club member from Port Howe, N.S.

Mr. Henley was one of 10 4-Hers from across Canada chosen to attend the International Summer Fancy Food Show July 9-11 in New York to compete for a chance to attend the Salon international de l'alimentation, one of the world's leading professional food shows, in Paris this fall.

The 4-H members delivered a speech to a panel of judges from Agriculture and Agri-Food Canada (AAFC), and were asked questions about what they learned on the trip to the food show.

The competition was part of the International Trade Awareness Program, sponsored by AAFC and the Canadian 4-H Council.

"The International Trade Awareness Program encourages young Canadians to learn more about trade and its importance to our agriculture and food sector," said Minister of Agriculture and Agri-Food Lyle Vancilief. "On behalf of the Government of Canada, I congratulate Gordon and commend all of the delegates for their excellent presentations." ■

Safety Net framework

(continued from page 1)

Provincial allocations of federal funding for core safety net programs will be based on the size of the industry in each province except Newfoundland and Labrador, which received a set allocation. As a result of increased federal funding, no province will receive less than its 1999 funding level. Disaster funding will be directed toward all producers that have experienced dramatic reductions in income no matter where they live.

Working with producers, ministers have re-committed themselves to a

review of the NISA program to ensure it is more adapted to the needs of producers and integrated more directly into the disaster program. An important component of the new agreement means that ministers will work in collaboration on any program changes. The agreement also contains provisions for reviewing the impact on programs for producers on an on-going basis. To this end, ministers will follow a consultative and coordinated approach to changes to the design of programs in the safety net package. ■

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Vancief presses Washington on trade and subsidy issues

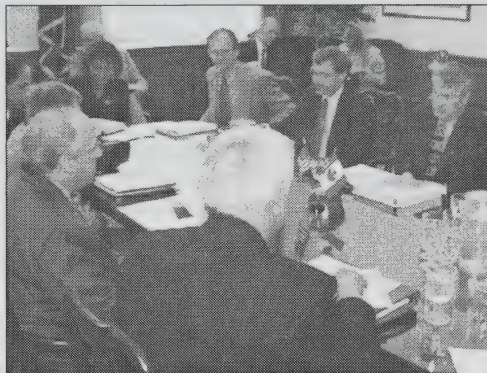
Agriculture and Agri-Food Minister Lyle Vancief wrapped up a series of high-level meetings in Washington July 13, saying that American officials and industry now better understand Canadian concerns and that he will continue to press the U.S. government on key agricultural issues.

During a three-day visit, Mr. Vancief met with U.S. Agriculture Secretary Dan Glickman, United States Trade Representative Ambassador Charlene Barshefsky and Secretary of Health and Human Services Donna Shalala.

The level of U.S. government subsidies for agriculture – approaching record highs – and its use of export credits, concessional credit and other export assistance programs were at the top of the agenda during the first two meetings.

"I pointed out that U.S. support for wheat is close to eight times more per tonne than it is in Canada," said Mr. Vancief. "This type of subsidization distorts world

markets, drives down prices and lowers the profit margins of all farmers. I think it is the wrong direction for governments and I made that very clear."



Agriculture and Agri-Food Minister Lyle Vancief (top-right) and U.S. Agriculture Secretary Dan Glickman (bottom-left) during a meeting in Washington July 11

Mr. Vancief underlined that Canada and the United States share common goals for the current round of World Trade Organization (WTO) agriculture negotiations. Both countries are pursuing negotiating positions at the talks that call

for the elimination of export subsidies, significant improvements in market access and discipline for trade-distorting domestic support.

"I emphasized Canada's commitment to aggressively pursuing freer and more fair trade," said Mr. Vancief. "I also made it clear that Canada will stand behind its right to maintain orderly marketing systems."

Canada will continue to pursue its position in officials' meetings in Geneva this fall, as well as at the Cairns Group ministerial meeting in Banff in October and in missions to European capitals in the fall.

In his meeting with Ms. Shalala, Mr. Vancief underlined the importance of a rigorous food inspection system based on science and discussed some outstanding bilateral issues.

Mr. Vancief also used the trip to hold several other meetings with senior Members of Congress as well as American industry representatives. ■

Federal funding announced for Saskatchewan highways

Municipal roads and provincial highways in Saskatchewan are set to get a \$8.2-million facelift under the federal government's Canada Agri-Infrastructure Program (CAIP).

The approved projects range from new road construction and reconstruction to resurfacing projects. Most of these projects are expected to be under way before the end of the 2000 construction season and will be cost-shared with the various municipalities involved.

The Canada Agri-Infrastructure

Program has been instrumental in helping restore and improve the economic sustainability of rural communities in western Canada by helping provide much-needed improvements to the region's infrastructure.

The CAIP program was one of several initiatives included under the federal government's \$300-million Western Grain Transportation Adjustment Fund. Through the Saskatchewan CAIP, nearly \$85 million in total will be invested in upgrading roads and highways in

response to grain transportation changes.

While CAIP will end this year, the Government of Canada has announced \$175 million in funding over the next five years for Prairie grain roads.

To be approved, each CAIP project had to demonstrate a direct impact resulting from the ending of grain transportation subsidies. The program also provided support to similar agricultural infrastructure initiatives in the other western provinces. ■

Project to help strengthen rural communities in Ontario

The Government of Canada is providing The Ontario Rural Council (TORC) with \$240,000 over three years for a project that aims to help strengthen rural agricultural communities in Ontario.

The funding will come from the Canadian Agricultural Rural Communities Initiative (CARCI), a component of the Canadian Adaptation and Rural Development fund.

Through the Building Partnerships Among Rural Organizations project, TORC will analyse rural agricultural issues and develop input on rural policy, organize working groups on rural issues, develop a campaign to promote rural Ontario, and work towards ensuring Ontario's rural youth are involved in dealing

with the issues facing their communities.

The \$9.3-million CARCI was established in May 2000 to help sustain and develop rural agricultural communities in Canada, particularly those affected by changes taking place in the agricultural sector. The initiative was developed through consultations with rural community groups, non-governmental and municipal organizations.

Founded in 1998, TORC brings together a number of rural stakeholders to identify and develop solutions to rural issues. Its membership consists of about 40 rural sector organizations, corporations and representatives from all three levels of government. ■

New Food Research Program facility becomes 19th federal research centre

A new \$10-million federal Food Research Program centre, equipped with 24 laboratories and a pilot processing plant, has become Agriculture and Agri-Food Canada's 19th national research centre.

The opening of the new facility consolidates all of AAFC's food research in the Guelph area under one roof, close to the University of Guelph, the Ontario Ministry of Agriculture, Food & Rural Affairs, the Guelph Food Technology Centre and the private sector.

The mandate of the Food Research Program is to improve food quality, reduce the cost of processing, develop new food products and add value to agricultural commodities for food and non-food uses.

"The Food Research Program will address the major needs of the agriculture and food sector by supporting

new product development and new processing technologies," said Minister of Agriculture and Agri-Food Lyle Vanclief, who officially opened the new centre.

The Food Research Program has a full-time equivalent staff of more than 60 people, including 22 research scientists, and is organized into four teams: Food Preservation Technology, Nutraceuticals and Functional Foods, Structure and Function of Foods, and Molecular and Cellular Biology.

A key element of the new centre is a 300-square-metre pilot processing plant that is unique in Ontario. The processing plant will permit researchers to accurately gauge the effects on common food-borne pathogens of food processing using pilot scale equipment, rather than bench-top experiments. ■

Agrivision Online:

www.agr.ca/cb/agrvision/agrive.html

Funding aims to stimulate growth of new agricultural co-operatives

The Canadian Co-operative Sector Initiative, designed to stimulate the growth of new agricultural co-operatives and increase the productivity of existing ones, has received \$500,000 in funding under the Canadian Adaptation and Rural Development (CARD) fund.

Under the initiative, the co-operative sector will conduct research to help better understand the role of co-operatives within the agricultural sector and determine what policy and program changes are needed to encourage co-operative growth; develop pilot projects to help implement methods of strengthening the agricultural sector through new co-operatives; and develop an action plan to better position existing co-operatives and stimulate new co-operatives within the sector.

The new initiative highlights the importance of Canada's co-operative sector, which employs more than 150,000 people, with a continued membership of 15 million Canadians and combined assets of over \$167 billion.

"This funding will provide our country's agricultural co-operatives with new tools to help them compete and thrive in the changing agricultural industry," said Minister of Agriculture and Agri-Food Lyle Vanclief. "Through this initiative, the federal government will help increase economic activity and strengthen rural Canada." ■

agrivision

Promoting security, jobs and growth in agriculture and agri-food

Measures announced to improve the Canadian grain handling and transportation system

Minister of Agriculture and Agri-Food Lyle Vancief, together with Transport Minister David Collenette and Minister responsible for the Canadian Wheat Board Ralph Goodale, announced on May 10 the Government of Canada's intent to introduce measures to increase efficiency and cut costs in Canada's grain handling and transportation system.

Reforms to be implemented by August 1, 2000, include: the establishment of a revenue cap that provides for an annual estimated \$178 million reduction in railway revenues, which represents an estimated 18% reduction in grain freight rates from 2000-2001 levels; the tendering by the CWB of at least 25% of its wheat and barley shipments to the

ports of Vancouver, Prince Rupert, Thunder Bay and Churchill in crop years 2000-01 and 2001-02 and at least 50% of its shipments to the four ports in crop year 2002-03; and amendments to the Canada Transportation Act (CTA) to facilitate the transfer of branch lines to community-based shortlines and to simplify the Final Offer Arbitration process.

The Government of Canada, recognizing that these grain handling and transportation reforms will increase pressures on rural roads, will make a contribution of \$175 million over five years to help address the problem.

In addition, an independent third party will provide a transparent and

continuous monitoring program to assess the overall efficiency of the grain handling and transportation system, including the impact of changes on farmers, the CWB, railways, grain companies, shippers and ports.

The measures are aimed at creating a stronger grain handling and transportation system in Canada, one that is more commercial, competitive and accountable.

"This is the best outcome for the greatest number of producers," said Mr. Vancief. "This will result in a reduction of an estimated \$178 million a year in grain transportation costs, and will build on our continuing efforts to create a more secure future for farmers."

(See Grain transportation on page 2)

Mission to Asia opens doors to Canadian agri-food products

Improved trade ties with China and the Philippines were the goals of a Canadian agri-food trade mission to both countries led by Agriculture and Agri-Food Minister Lyle Vancief April 14-27.

By all accounts, the Minister and his delegation were up to the challenge. On April 18, Mr. Vancief officially announced an agreement making Canada the only country in the world permitted to export seed potatoes to China. On April 17, Mr. Vancief signed a Canada-China Pork Protocol with Mr. Li Changjiang, Chief Administrator of China's State

Administration for Entry-Exit Inspection and Quarantine (CIQ-SA), opening the door to historic and significant Canadian pork exports to China.

A process was also created under which three pork and meat plants have been approved to ship their products to China. More plants are expected to receive approval in the near future. These protocols open the vast Chinese market to Canadian agriculture producers and processors.

During the course of the mission, Mr. Vancief also met with Canadian companies currently doing business

in both China and the Philippines, as well as others exploring potential opportunities, to discuss ways in which the Government of Canada could assist them with their business ventures outside of Canada.

In other events, Mr. Vancief officially opened a hydroponic greenhouse for Beijing Evergreen Vegetables Co. Ltd., a joint venture between HydroNov Inc. of Montreal and China's Shunxia Stock Co-operative Co. Ltd. The greenhouse, which uses Canadian technology, will produce lettuce for the Beijing and

(See China mission on page 2)

Adaptation and rural development projects in New Brunswick receive federal funding

The New Brunswick Agricultural Council has received its first installment of the Government of Canada's four-year, \$2.23-million Canadian Adaptation and Rural Development funding for the province.

The Council, an industry-driven group, will allocate the funding to a number of adaptation and rural development projects throughout rural New Brunswick.

The New Brunswick Agricultural Council administered New Brunswick's \$1.5 million in CARD funding under the first phase of the program. The Council administered an additional \$900,000 in funding for soil and water conservation, and on-farm food safety initiatives.

Over the past three years, the New Brunswick Agricultural Council has supported more than two hundred initiatives, ranging from environmental farm planning and strategic planning of provincial producer organizations to the evaluation of innovative tools such as the Agri-Conservation Club and the farm management technical service, which could enhance the economic and environmental sustainability of the agricultural sector.

The \$60-million-per-year CARD fund is a major part of the Government of Canada's approach to assisting the agriculture and agri-food sector to be competitive in the rapidly changing global marketplace.

Agriculture and Agri-Food Canada forms partnership with young farmers

Young farmers in Canada and those wanting to make a career in the agriculture industry will be the beneficiaries of a new partnership agreement with Agriculture and Agri-Food Canada (AAFC). The agreement enables them to continue their activities as part of the Canadian Young Farmers Forum.

The Fédération de la relève agricole du Québec (FRAQ) will receive \$200,000 from AAFC's Canadian Adaptation and Rural Development (CARD) fund over the next two years to support the organization of this forum.

The Canadian Young Farmers Forum was created in 1997 to promote the exchange of information between young farmers across the country. The organization targets farmers between the ages of 18 and 40 and young prospective farmers and provides them with a forum for participating in discussions and get-

ting involved with developing agricultural policy. It also provides an excellent springboard for future involvement in farm organizations.

The partnership agreement aims to encourage young farmers to pursue a career in farming, develop their enterprises and become industry leaders. ■

China mission

(continued from page 1)

export markets.

Mr. Vancief also met with Vice Premier Wen Jiabao in China and Vice President Joseph Estrada in the Philippines, along with their respective ministers of agriculture, to discuss the harm being done to farmers and the rural areas of both countries by unfair export subsidies.

For more information on the trade mission, visit www.agr.ca/cb/mission/chinae.html. ■

Grain transportation

(continued from page 1)

The issue of more open rail access will be incorporated in the statutory review of the Canada Transportation Act, which is scheduled to begin by July 1, 2000. The government expects a report on open rail access no later than six months after the CTA review begins. ■

Companies, buyers meet at Gourmet International

Some 80 agri-food companies met in Montreal April 18 for the 10th Gourmet International, a trade show organized jointly by Agriculture and Agri-Food Canada, the Quebec Department of Agriculture, Fisheries and Food (MAPAQ) and the Quebec Agri-Food Export Club.

Gourmet International generated sales exceeding \$20 million in a single day last year. The event represents a major showcase for Canadian agri-food products, especially those from Ontario, Quebec, British Columbia and Newfoundland. Participating companies have an opportunity to develop business ties with international buyers from the United States, Asia, the Middle East, Europe, Latin America, the Caribbean, South Africa and also with buyers from within Canada.

"The Canadian food processing industry has proven it can compete and win in world markets," said Minister of Agriculture and Agri-Food Lyle Vancief. "Gourmet International is an excellent example of the cooperation and forward thinking that fuels this success. The Government of Canada is committed to supporting and encouraging this type of innovative marketing." ■

National Rural Conference gives voice to rural residents

More than 500 Canadians from across the country had an opportunity to discuss strategies for rural and remote community development at the National Rural Conference, held in Magog-Orford, Québec, April 27-30.

Participants, including citizens from rural and remote communities, rural organizations and all levels of government, met to identify issues in rural Canada and what can be done to solve them. They took the time to take stock of what has been done in rural development, learn from other initiatives in rural communities and share experiences.

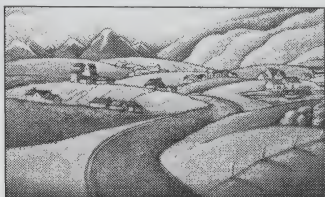
Issues discussed by those in attendance included youth, health care, education, access to federal government information, capacity building,

the knowledge-based economy and economic diversification. Participants heard about rural development initiatives in their province or territory and about pilot projects led by communities all over Canada. They also identified key items they wanted to see

addressed at a round table discussion at the end of the conference.

In closing the conference, Secretary of State Andy Mitchell (Rural Development)

(Federal Economic Development Initiative for Northern Ontario), who hosted the event, summarized the key issues that had been brought up during the conference and committed to a rural Action Plan. Before acting on the plan, Mr. Mitchell promised that a draft would be sent to all participants for comment. ■



CARD funding announced for Saskatchewan adaptation projects

The Government of Canada is providing \$11.3 million in funding to adaptation projects in the agriculture and agri-food sector in Saskatchewan.

The four-year funding, for the Saskatchewan Council for Community Development (SCCD), is being provided under Agriculture and Agri-Food Canada's Canadian Adaptation and Rural Development (CARD) fund. Adaptation projects in Saskatchewan's agriculture and agri-food sector that qualify under six adaptation policy priorities (research/innovation; human resources; environmental sustainability; food safety and quality; marketing; and rural development) will be eligible for funding.

The Canadian Adaptation and Rural Development in

Saskatchewan (CARDS) Committee, a committee of SCCD, reviews, evaluates and approves project proposals and determines policy for the CARDS Program.

Examples of projects that have been approved under the first installment of CARDS funding include quality assurance programs in the beef (Saskatchewan Cattlefeeders Assn. and Saskatchewan Stock Growers Assn.) and pork (Sask. Pork) industries, the development of a breeding centre for the production of new pulse and flax varieties (Saskatchewan Flax Development Commission and Saskatchewan Pulse Growers) and the delivery of a series of food safety/processing workshops (Saskatchewan Food Industry Development Centre). ■

Federal govt. commits \$3.27 million for rapid grain quality testing

The Government of Canada has committed up to \$3.27 million to help grain producers and industry work together with researchers to develop rapid grain quality testing techniques. The funding comes from the Western Grain Transportation Adjustment Fund.

Research funded under this program will require industry partners to match the federal funding. In recognition of the need to provide farmers with options in varietal selection and to meet customers' specific requirements, the Canadian Wheat Board has committed \$1.5 million to the initiative.

The funding aims to support the development of automated grain quality testing techniques to keep pace with customer demands and new developments in plant breeding technology.

Funding will go toward projects that investigate new techniques that can be used to complement the current system. One potential example is the use of DNA analysis. Accurate measurement of the quality of grains and oilseeds before they are sold is a hallmark of the Canadian quality assurance system. The technology developed through this initiative will build on that excellent system by reducing reliance on visual grading.

The Canadian Grain Commission (CGC) is coordinating the research and development initiative. Two committees, an industry committee and a technical committee, have been formed to oversee the process and the results. ■

First annual progress report on rural Canada released

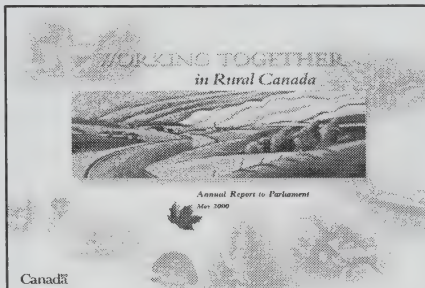
The Honourable Andy Mitchell, Secretary of State (Rural Development) (Federal Economic Development Initiative for Northern Ontario), presented to Parliament the first annual progress report on the Government of Canada's rural initiatives on May 4.

The report, titled *Working Together in Rural Canada*, demonstrates, through a list of federal programs, the ways the Government of Canada plans to meet the 11 priorities for rural Canada set out by rural and remote Canadians.

"Rural Canada is the foundation on which a large part of our economic wealth is built," said Mr. Mitchell. "The Government of Canada - together with rural citizens - is working to ensure that

rural Canada has a strong and vibrant future."

The report outlines more than 500 federal programs, services and initiatives for rural and remote



Canadians designed to support the Government of Canada's vision for rural Canada, a vision that includes vibrant communities making informed decisions about their future while benefiting from the global knowledge-based economy.

"The Government of Canada is committed to working with rural Canadians to build partnerships and a rural Canada where all citizens can enjoy access to the tools they need to improve their quality of life," said Minister Coordinating Rural Affairs Lyle Vancielief.

The Government of Canada is continuing its cross-departmental approach, and feels the report demonstrates its commitment to the well-being of rural Canada. The report also shows how the Government of Canada has met its commitment to consult with, to work with, and to learn from rural Canadians.

The full report of *Working Together in Rural Canada* is available at www.rural.gc.ca, or by calling the Rural Secretariat at 1-888-757-8725. ■

Plant research and development lab opens in Saskatoon

The Saskatchewan Research Council's (SRC's) new plant genetics laboratory officially opened at Innovation Place in Saskatoon on April 6, thanks in part to funding from a joint federal-provincial program.

GenServe Laboratories, which will provide support services to agricultural and biotech companies involved in plant-related research and development activities, was established with \$563,000 from the Canada-Saskatchewan Agri-Food Innovation Fund (AFIF). Money from AFIF was used to buy equipment, while the SRC will pay GenServe's \$140,000 annual operating costs for the first three years.

The new laboratory offers rapid

DNA testing of genetically enhanced plants using polymerase chain reaction (PCR) techniques and DNA fingerprinting of crops and microorganisms using DNA markers. Clients of the lab will include crop insurance companies and nurseries needing to confirm the identity of specific plant varieties through DNA testing. The lab will also have the ability to identify plant diseases and develop new molecular testing techniques on a contract basis.

GenServe Laboratories was established after a market study identified a need for a commercial plant genetics testing laboratory in Saskatoon. Its purpose is to provide a resource for plant scientists that will help them develop

products as effectively and quickly as possible. ■

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Promoting security, jobs and growth in agriculture and agri-food

Farmers to reap the benefits of new three-year agreement on safety nets

Farmers are set to reap the benefits of a new three-year safety nets plan thanks to a tentative agreement reached by Federal and Provincial Ministers on March 23.

The plan includes basic safety net programming as well as an income disaster component.

The Ministers will now take the plan back to their respective Cabinets to be ratified. They hope to accomplish this as soon as possible for the good of farmers, who have been waiting anxiously to find out the support they can expect.

The Ministers also stressed the agreement is designed to provide the greatest degree of farm income stabilization possible.

"We have shown that when we work together and put our collective shoulders to the wheel, that we can do a lot of things for the benefit of Canadian farmers," said Minister of Agriculture and Agri-Food Lyle Vanclief during the

Federal-Provincial news conference announcing the agreement.

"Today's biggest winners are our Canadian producers."



Minister of Agriculture and Agri-Food Lyle Vanclief, Parliamentary Secretary to the Minister of Agriculture and Agri-Food Joe McGuire (background), and Quebec Minister of Agriculture, Fisheries and Food R my Trudel during the announcement of a new three-year safety nets agreement between Federal and Provincial Ministers March 23.

The tentative agreement would provide \$665 million for basic safety net programs and access to \$435 million in income disaster assistance in each of the next three years.

Provincial allocations for basic safety net funding under the tentative agreement will be based on the

size of the industry in each province.

Mr. Vanclief will be seeking funding to ensure that no province

receives less than its current share. He will also be seeking Cabinet approval for the third year of disaster assistance funding. This would bring the total federal commitment to safety net funding to more than \$3.3 billion for the next three years.

Ministers expect to meet following ratification to deal with specific program details and the terms of reference for evaluation of the safety net programs.

The Ministers said the talks during the

two-day meeting were an excellent example of cooperation among the provinces and the Government of Canada and that the deal reached meets the needs of Canadian producers.

All federal funding under the new agreement will be cost-shared with provinces. ■

Funding will enhance farmers' access to pest management tools

Canada's horticulture sector has received a shot in the arm with the announcement of \$1.2 million over three years in Canadian Adaptation and Rural Development (CARD) funding which industry will have available to address pesticide-related issues.

The funding will help provide a new certainty regarding future support for some very worthwhile activities, such as making funding available to farm groups, including those from the horticulture sector, for scientific research aimed at making more minor-use pesticides available to farmers.

The funding will also help the horticulture sector and other sectors to continue tracking pesticide and other relevant issues, prioritizing industry needs and working with the

U.S. on matters of mutual interest.

Minor-use pesticides are those for which the market is small. These products are particularly important to the horticulture sector.

Decisions concerning the allocation of the \$1.2 million to specific activities and projects will be made through further consultations with industry.

The \$60-million-per-year CARD fund is a major part of the Government of Canada's approach to assisting the agriculture and agri-food sector to be competitive in the rapidly changing global marketplace. CARD focuses on six adaptation policy priorities including research/innovation, human resources, environmental sustainability, food safety and quality, and marketing and rural development. ■

Innovative cranberry-drying process launched

Atoka Cranberries Inc. and Agriculture and Agri-Food Canada's (AAFC) Food Research and Development Centre have launched a new cranberry-drying process that will help the company enter the dried cranberry market. The market for dried cranberries is currently worth almost \$75 million in the United States alone, and demand is also rising in Europe and Asian countries where the nutraceutical benefits of cranberries are particularly appreciated.

The new process not only dries the fruit, but also sweetens it and preserves its flavour and colour throughout its storage life. Cranberries dried in this manner have many uses, either as health snacks or high-quality ingredients, especially in the bakery sector.

The research project, costing a

total of \$200,000, received funding from AAFC's R&D Matching Investment (MII) Program, and covered all phases of laboratory research up to the development of a new industrial production line. Direct project spinoffs include five permanent jobs and 15 seasonal jobs.

Lyle Vancief, Minister of Agriculture and Agri-Food, called the program a positive example of an industry/government partnership.

"The R&D Matching Investment Program was designed to support innovative companies," said Mr. Vancief. "Atoka Cranberries Inc. has taken advantage of the MII program and, working in collaboration with AAFC researchers, will grow and carve out new markets. I congratulate the company and hope other Canadian agri-food companies follow its example." ■

Funding helps uncork fruit wine industry

Canadian fruit growers and processors hope to be sipping the sweet taste of success after receiving federal funding to help encourage the growth of Canada's fruit wine industry.

The funding, which aims to support the efforts of fruit wine producers to form a new national industry, comes from Agriculture and Agri-Food Canada's Agri-Food Trade (AFT) 2000 program, and will go to Fruit Wines of Canada.

Fruit wines are produced in almost all provinces. Producers from across Canada have discussed the merits of forming a national industry for several years, and considerable interest has been expressed by a number of fruit growers to develop fruit wineries as on-farm value added activities.

The Government of Canada funding will support the establishment of a national fruit wine producers' organization and associated regional or provincial organizations. The organization will then develop national fruit wine standards; design a certification process, and an audit process; establish a quality certification logo; and develop a generic marketing strategy that addresses domestic and international needs. In addition, a benchmarking study will determine the current state of the industry. The long-term goal is to help create consumer awareness and demand for Canadian fruit wines, and to help producers increase sales, both domestically and internationally.

The AFT 2000 program, created in 1996, is designed to help the Canadian agri-food industry increase sales of agriculture, food and beverage products in foreign and domestic markets. ■

Outcome of first WTO meeting on agriculture negotiations encouraging

Agriculture and Agri-Food Minister Lyle Vanclief announced that he was satisfied with the outcome of the first session of World Trade Organization (WTO) agriculture negotiations, March 23-24.

The meeting, held at the WTO headquarters in Geneva, led to an agreement on a work plan for the coming year which will allow Canada to voice its negotiating position, announced by Mr. Vanclief and International Trade Minister Pierre Pettigrew last August.

Canada's objective at this first session was to ensure that a negotiating process was established to allow Members to present their ideas and proposals for the agricul-

ture negotiations, starting at the second meeting, which will be held in June.

"Canada continues to fight for the elimination of international subsidies," said Mr. Vanclief. "Trade-distorting subsidies create difficulties for the agriculture and agri-food sector and I am committed to ensuring these talks move as quickly as possible towards a solution."

Mr. Vanclief added that consultations will continue with members of the agriculture and agri-food industry as the negotiations progress and that the objectives of the agricultural negotiating position announced last August will be pursued. ■

CGC service fees frozen until 2003

An injection of new federal financial assistance totaling \$83 million over the next four years means Canadian Grain Commission (CGC) fees for mandatory services will be frozen until 2003, Minister of Agriculture and Agri-Food Lyle Vanclief announced March 2.

Mandatory services are those required under the Canada Grain Act for such services as weighing and inspection of grain exported through terminal elevators. Historically, fees for these services have provided 90 per cent of CGC revenue.

"Grain producers have told us that the CGC plays a vital role in Canada's international reputation for grain quality, and that government must increase its support," said Mr. Vanclief. "We've listened and I'm pleased to announce the Government of Canada's commit-

ment to grain quality assurance and the benefits it brings, not only to farmers and the grain industry, but to all Canadians."

The finance package includes a one-time payment of \$20 million to offset the CGC's accumulated operating deficit, and an increase in the CGC's annual federal appropriation from \$6 million to \$20 million. This appropriation will rise to \$23 million by 2003.

Mr. Vanclief said that to be self-sufficient, the CGC would have required a general service fee increase of 26 per cent. "But in these financially troubled times, the government could not ask grain producers to pay more than they are already paying. A competitive grain sector benefits all Canadians, and I believe it is incumbent on Canadians to assist in this process of restoring the CGC to financial self-sufficiency." ■

National Rural Conference:

Building Our Future Together

Magog-Orford, Quebec,
April 27-30, 2000

An opportunity for participants to continue the dialogue with the Government of Canada on its work in rural and remote regions

www.rural.gc.ca

Improved quality and marketability of red tart cherries the focus of new initiative

The Ontario Tender Fruit Producers' Marketing Board has received more than \$260,000 in Canadian Adaptation and Rural Development (CARD) funding through the CanAdapt program to research new processing technology and quality control standards for cherries.

The initiative is expected to help enhance the quality of Ontario's processed red tart cherries and improve market access and competitiveness with producers throughout North America.

The project will be completed in two phases, at a total cost of just over \$1 million. Phase 1 will focus on processing improvements needed for cherry chilling, and pit detection and removal. In Phase 2, an industry advisory committee will work with an independent consultant on a common protocol related to quality control parameters.

The protocol will be published as a manual for use by processors and will be in place for the 2000 season. ■

Chicken research yields low-fat fowl

Research out of St-Hyacinthe, Que., will come as welcome news for those who like their chicken leaner.

Dr. Joyce Boye at Agriculture and Agri-Food Canada's Food Research and Development Centre (FRDC) in St-Hyacinthe, and Jean Flibotte at Oléanergie F2001 Inc., have produced a high-nutrition, low-fat type of chicken.

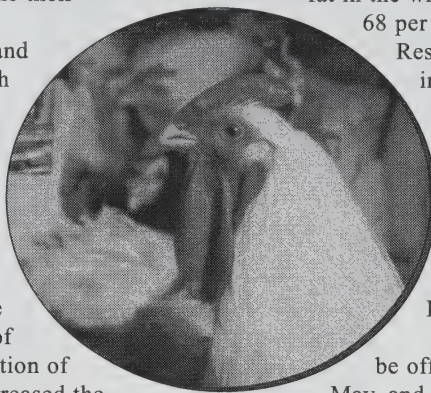
The researchers, working with changes in poultry feeding and management techniques, were able to actually reduce the fat content of the meat and improve the composition of the remaining fat. Indeed, they increased the proportion of unsaturated (desirable) fatty acids over

saturated ones. The new chicken has 70 per cent less fat in the white meat than regular chicken and 68 per cent less fat in the dark meat.

Researchers have also managed to increase the protein content of the meat and improve its shelf life. As for taste, the new chicken is juicier, and more tender.

Agriculture and Agri-Food Canada contributed \$111,000 towards the \$600,000 cost of the project through its Matching Investment Initiative (MII) program.

The leaner chicken is expected to be officially launched at the FRDC mid-May, and should be available on store shelves across Canada before the end of 2000. ■



Agreement opens the door to significant pork and beef exports to China

Several years of negotiation were brought to a successful conclusion on April 17 with the signing of an agreement between Canada and China that will open the door to significant Canadian pork and beef exports to China.

Agriculture and Agri-Food Minister Lyle Vanclief signed the Canada-China Pork Protocol with Mr. Li Changjiang, Chief Administrator of China's State Administration for Entry-Exit Inspection and Quarantine (CIQ-SA), calling the agreement historic and important for both countries.

"This agreement is a significant example of the spirit of cooperation and mutual respect that exists today between Canada and China," said Mr. Vanclief. "It will give Canadian pork and beef producers access to the vast Chinese market and will give Chinese consumers exposure to the high-quality pork and beef products Canada has to offer."

The agreement deals with China's

acceptance of Canadian Food Inspection Agency (CFIA) data related to Porcine Respiratory and Reproductive Syndrome (PRRS) and transmissible gastroenteritis (TGE). In the past, Chinese requirements relating to these two conditions effectively prohibited Canadian pork and beef exports.

The negotiations included the inspection earlier this year of a number of Canadian meat plants by the CIQ-SA. Following the inspections, and under the new agreement, an approval system has been established between Canada and China on meat exports.

"I commend CFIA staff and their Chinese counterparts for this agreement, which paves the way for significantly improved access to China for Canadian beef and pork," said Mr. Vanclief. "I expect Canadian producers and processors will begin to take advantage of this new agreement in the very near future." ■

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Promoting security, jobs and growth in agriculture and agri-food

Canada takes another step forward in reducing agricultural greenhouse gas emissions

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Canada has taken another major step forward in reducing agricultural greenhouse gas emissions with the recent announcement of a multi-million-dollar investment in climate change funding.

The four-year, \$4-million investment will help the agricultural sector address climate change, and ultimately contribute to Canada's efforts in meeting its Kyoto commitments to reduce greenhouse gas emissions to six per cent below 1990 levels by 2008-2012. The areas that need to be addressed were identified by the Agriculture and Agri-Food Table on Climate Change and include crop and livestock nutrient management, manure management, carbon sequestration as well as biofuels.

"The Government of Canada continues to take concrete action to

reduce greenhouse gas emissions," said Minister of Agriculture and Agri-Food Lyle Vancilief. "This announcement, with its emphasis on agricultural emissions, will not only enlist the expertise of the scientific community and government, but will see industry assume a leadership role as well."

The initiative builds on the efforts already undertaken on climate change-related agricultural research in Canada, including the potential to use agricultural soils as carbon sinks.

The Climate Change Funding Initiative (CCFI), to be delivered by the Canadian Agri-Food Research Council (CARC), has four major components. The first will focus on developing and increasing the pool of experts in the field of climate change in Canada by supporting projects involving graduate students in climate

change science. The second will place a priority on the creation of science networks, where integrated teams of experts and industry partnerships will be created to address fundamental knowledge gaps and technology development. The third component will allow for the dissemination of information and results and will bring experts nationwide together to share results and develop priorities for future action. Finally, the project will set in motion the coordination of climate change activities in Canadian agriculture within CARC that will continue beyond the CCFI program.

Experts will submit proposals directly to CARC which, through a committee composed of experts from government, universities and industry, will decide which proposals receive
(See *Greenhouse gas* on page 4)

Budget 2000 continues support for agriculture and food

A significant investment in post-secondary education and health care, a five-year plan to cut taxes for all Canadians, especially families with children, and measures to make the economy more competitive through innovation were the key features of federal Finance Minister Paul Martin's budget announcement on February 28.

In terms of agriculture, the budget included a commitment of significant resources to improving the quality and the safety of Canada's food system, as well as a commitment towards the

regulation of biotechnology products and processes to ensure that they not only enhance health and safety, but also respect and preserve the environment. Some \$30 million of the \$90 million in new funding for the regulation of biotechnology will flow to the regulatory system delivered by the Canadian Food Inspection Agency.

The budget also contained a number of measures that will benefit Canadians living in rural and remote areas, including about \$500 million a year for a new infrastructure program

and \$160 million to offer federal government services on the Internet for rural Canadians.

Minister of Agriculture and Agri-Food Lyle Vancilief also pointed out that the Government of Canada, in advance of the budget, announced in January farm relief of \$500 million per year for the years 2000 and 2001 and on February 25 additional support of \$240 million for producers in Manitoba and Saskatchewan.

Also contained in the budget was a
(See *Budget 2000* on page 2)

Initiative aims to ensure Canada remains the biggest exporter of peas and lentils

The Government of Canada has announced that it will provide \$200,000 in funding to help ensure Canada remains the biggest exporter of peas and lentils in the world.

The funding will be provided to Pulse Canada's Pulse Quality Enhancement Initiative under the Government of Canada's Canadian Adaptation and Rural Development (CARD) fund.

The initiative aims to improve the quality of Canadian pulse crops, develop new uses for pulse crop

starch, protein and other components, as well as build on the environmental benefits of including pulse crops in rotation.

Many of Canada's competitors in the pulse crop market have begun to put more focus on quality, while Canada's focus has long been on production. Some industry representatives fear that without more emphasis on quality, Canada could become a supplier of last resort or be seen as a supplier of lower-quality product. ■

"Connections Canada 2000" to help youth explore agricultural and rural issues

Connections Canada 2000, a week-long rural-urban youth exchange program, will be held this summer at the University College of the Okanagan in Kelowna, B.C., from July 26-31.

The program will bring together more than 125 youth from urban and rural areas in B.C. and across the country. The program will include guest speakers, tours and other activities that will help young people explore some of the issues affecting agriculture and rural communities. The exchange program will also provide youth with an opportunity to discover and understand other parts of Canada.

Connections Canada is aimed at helping youth enhance and build on their leadership and other skills and to expand their horizons and acquire new experiences and knowledge.

The program is being funded in part by Agriculture and Agri-Food Canada's Millennium Rural/Urban Youth Exchange Program. Agriculture and Agri-Food Canada is contributing more than \$97,000 to the

initiative, while the British Columbia Ministry of Agriculture and Food and other community partners will contribute about \$28,000.

Connections Canada 2000 is open to rural and urban youth between the ages of 13 and 20. ■

Budget 2000

(continued from page 1)

statement that should grain prices not improve by 2002, additional funding could be made available at that time, providing an agreement is reached with the provinces on federal-provincial support for farmers.

"The budget is certainly one that we, as a government, believe is a balanced approach," said Mr. Vanclief. "It also commits significant resources to improving the quality and the safety of our food system, reinforcing our recent commitment to the viability of the agriculture and agri-food sector and strengthening the social and economic fabric of our rural communities." ■

Successful B.C. storage initiative continued

The BC Investment Agriculture Foundation announced on February 4 that it will provide further funding for the continuation of the Manure Storage Expansion program in the province for the year 2000.

An additional \$400,000 will be provided for qualified projects through Agriculture and Agri-Food Canada's Canadian Adaptation and Rural Development (CARD) fund. The initial program in 1998 and 1999 provided funding of more than \$741,000 to 93 projects, with a further investment by producers of more than \$4.9 million.

"This CARD funding will help B.C. farmers adopt environmentally sustainable farming practices and allow for the continuation of what has become a very successful and well-received project in British Columbia," said Lyle Vanclief, Minister of Agriculture and Agri-Food. "Since its creation in 1995, the CARD fund has been an important component in the Government of Canada's support to the agriculture and agri-food industry."

The Manure Storage Expansion program was established to encourage livestock and poultry producers to increase and improve on-farm manure storage capacity. Approved projects will continue to receive reimbursement of up to 20 per cent of eligible expenditures to a maximum of \$10,000.

The BC Investment Agriculture Foundation, incorporated in 1996, is committed to a vision that recognizes a sustainable and viable agriculture system in B.C. and implementation of projects and programs that further that objective. ■

Environmental sustainability of agriculture improving, according to new report

Canada's agriculture sector has made considerable progress over the last decade toward conserving and enhancing the natural resources used to grow crops and livestock.

That was one of the conclusions contained in the Agriculture and Agri-Food Canada (AAFC) report, *Environmental Sustainability of Canadian Agriculture: Report of the Agri-Environmental Indicator Project*, released on February 25 by Agriculture and Agri-Food Minister Lyle Vanclief.

"The need to produce an abundance of high quality and safe food products, while balancing the need to protect and conserve the environment, has never been more important and more challenging than it is today," said Mr. Vanclief. "This report clearly shows industry

is on the right track and we need to ensure we continue moving ahead."

The purpose of the report, which was produced by AAFC scientists from across the country and a number of private-sector researchers, was to establish agro-environmental indicators to determine whether current environmental conservation practices are working.

These indicators are expected to help identify the impact of agriculture on a number of key environmental areas and will serve as a report card industry can use to gauge the effectiveness of its conservation programs. The indicators will also be used by governments in the formation of policies, programs and strategies aimed at the environmental sustainability of the agriculture sector.

The research team established 14 indicators within six categories, including farm management, soil, water, and air quality, biodiversity and production intensity. ■

New environmental program recognizes earth-friendly farming

The federal government will invest \$600,000 over the next three years in a program that rewards farmers for their environmental stewardship efforts. The program, known as Countryside Canada, will reward members of the agricultural sector who have been nominated for their exemplary efforts in carrying out stewardship initiatives, such as conserving existing wildlife habitat, planting vegetation to provide food and shelter for wildlife, installing nesting structures for use by birds or preventing manure run-off.

Countryside Canada will also include a national outreach stewardship promotion program, targeting agricultural producers across all regions and commodity groups.

"Farmers, perhaps more than anyone else, understand the importance of being stewards of the land as they

depend on it for their livelihood," said Minister of Agriculture and Agri-Food Lyle Vanclief. "Efforts under way across the country are living proof that agriculture can operate in harmony with nature and that farmers see environmental initiatives as beneficial and worthwhile."

The program will be administered by the Canadian Federation of Agriculture in partnership with Wildlife Habitat Canada. The Government of Canada will provide funding under the Canadian Adaptation and Rural Development fund, a \$60-million-a-year program designed to help the farm industry and rural communities adapt to challenges and new opportunities. The federal money isn't intended to fund the entire program, but is expected to help lever further funding from the private sector. ■

World's grains industry to converge in Regina for IGC2000

What will the marketplace of tomorrow look like? To find out, the world's grains industry will be converging in Regina, June 14-16, 2000, at the International Grains Council 2000 Conference (IGC2000) to meet and discuss the challenges and opportunities facing the grain trade.

Canada, a long-standing member of the International Grains Council and its precursor, the International Warrants Council, will host the conference, entitled "Grain: the New Century."

The 21st century will present heightened supply and demand concerns. However, the impact of advanced technologies, international trade policy and grain trade financing will profoundly change the nature of the commercial trade in the coming years.

IGC2000 will explore each of these topics and assess their meaning for both the marketplace and for global food security. Ministers of Agriculture and Trade and agribusiness leaders from around the world will provide their views on these topics and the opportunities for the grain industry and food supply in the 21st century.

For more information on the conference, visit the IGC2000 web site at www.igc2000.com ■

"Access Canada 2000" brings together Canadian food companies, international foodservice buyers

The Canadian International Food & Beverage Show, a growing foodservice show with more than 800 exhibitors, was the focal point for visitors from four continents February 20-22, in Toronto.

An Agriculture and Agri-Food Canada initiative dubbed "Access Canada 2000", organized to coincide with the show, brought together 26 foodservice buyers from the United States, Bermuda, Brazil, Colombia, Mexico and Germany. In addition, 20 commercial counselors came from the United States, Latin America, the European Union, China, Taiwan, Russia and the Ukraine, and 30 business interests from Russia and the Ukraine.

The initiative aimed to educate

Canadian exporters on the opportunities available in specific markets for exports of food products and to match buyers with export-ready Canadian suppliers of foodservice products. As part of the initiative, AAFC co-sponsored four trade seminars on the potential of international foodservice markets in the USA, Latin America, Europe and China/Taiwan. Buyers were introduced to Canadian suppliers and their products and more than 225 one-on-one meetings between buyers and suppliers were arranged. Minister of Agriculture and Agri-Food Lyle Vancilief also hosted a priority and emerging markets meeting and networking reception as part of the initiative.

This is the third year in a row that such a program of activities has been held with international buyers at the Food Show.

The events were organized by Agriculture and Agri-Food Canada trade officers in Guelph and Ottawa, in cooperation with industry associations, the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA), and Canadian Embassies and Consulates. ■

Greenhouse gas

(continued from page 1)

funding.

Mr. Vancilief set aside funding for environmental projects last year when he announced the renewal of the Canadian Adaptation and Rural Development program. The program will provide \$60 million per year for national and regional programs that help Canada's agriculture sector grow and adapt. ■

Alberta beef industry joins forces to focus on beef quality

Four associations representing purebred beef cattle breeders – the Charolais, Simmental, Limousin and Hereford associations – have teamed up to develop an information tracking system aimed at making the Canadian beef cattle industry a recognized producer of beef of the highest quality and safety in the world.

The system, named BeefNet Canada, will look at management and production practices, as well as operational systems and genetics to establish an information system to track animals throughout the production chain. Practices can then be adjusted to take advantage of changing consumer demands and trends more quickly and to establish food safety and quality management practices.

Cow-calf operators, feedlots, packaging plants, distributors and retail outlets will also participate and provide market information relevant

to the project.

The state-of-the-art system will be developed in partnership with organizations such as the University of Saskatchewan, Agriculture and Agri-Food Canada's Lethbridge and Lacombe Research Centres and the Canadian Cattle Identification Agency.

The Alberta Agriculture and Food Council will contribute the funds toward the initiative, which come from the province's share of the Canadian Agriculture and Rural Development (CARD) fund.

The Alberta Agriculture and Food Council is an industry-based organization designed to support the agriculture and food industry in increasing its profitability, global competitiveness, environmental sustainability and value to people. The council administers Alberta's allocation of the CARD fund. ■

National Rural Conference: Building Our Future Together

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Promoting security, jobs and growth in agriculture and agri-food

Grocery Showcase Canada sets new record

The Canadian agri-food industry received a boost last month from Grocery Showcase Canada (GSC), the largest retail grocery trade show in Canada, by setting new record attendance levels. More than 9,700 delegates attended GSC's convention and trade show activities at the Metro Toronto Convention Centre.

Every year GSC is held at the Toronto Convention Centre and provides a valued opportunity for Canadian exhibitors to showcase their products and come face to face with the major buyers and retailers within the agri-food industry.

Produced by the Canadian Federation of Independent Grocers (CFIG), this year's trade show floor contained more than 690 exhibits from a comprehensive array of the

industry's product, equipment, service and technology suppliers. Minister of



Minister Lyle Vanclief speaks to delegates at Grocery Showcase Canada '99.

Agriculture and Agri-Food Lyle Vanclief attended GSC and compli-

mented CFIG for sponsoring a trade show that has become a premiere event in the grocery industry for retailers and exhibitors alike.

As well, the generosity of Canadian exhibitors resulted in the collection of nearly 35,000 pounds of food and non-food items for the Daily Bread Food Bank.

According to CFIG's President, John Scott, "The tremendous success of GSC means that we may now want to look at ways of building the show to complement other efforts to enhance the visibility and access of Canadian suppliers to international buyers."

Next year's Grocery Showcase Canada 2000 will return to the Metro Toronto Convention Centre from October 22-24. ■

Canadian agriculture prepares for new millennium

by Agriculture and Agri-Food Minister Lyle Vanclief

The natural instinct when approaching a milestone is to look back to where we've come from and ahead to where we're going. As we stop to ponder the end of the 20th century and the beginning of the new millennium, we are in awe of the speed of progress, from horse and plow to computer-guided tractors in a single lifetime.

In fact, a recent survey on the East Coast pegged mechanization and the invention of the tractor as the most

significant agricultural developments in the 20th century.

As we look forward, we can only wonder what awaits the world of agri-culture. Right now, the Canadian agriculture industry finds itself in a situation where new tools, techniques and products have created options that were unimaginable in the past. On one hand, this is presenting challenges, as we can see with the current debate on genetically-enhanced foods. But it is also presenting exciting new

opportunities, with the large array of specialty products being produced for niche markets and the partnerships emerging with non-food industries such as health care.

At the turn of the last century, people would have wondered about your mental health if you said that farmers could one day play a role in medical research. Yet today, researchers at one of Agriculture and Agri-Food Canada's centres in southern Ontario (See *New millennium* on page 2)

New millennium

(continued from page 1)

are using crops, tobacco plants in this case, to grow human proteins that could help battle Crohn's disease.

Today's farmer also has access to more commodities and more markets. Before 1968, grain was the main crop group on the Prairies because of climate constraints. With the development of drought-resistant legume and canola crops, Prairie producers now have better crop rotations and more niche market and value-added opportunities. Hog, cattle, ginseng, elk, ostrich and emu operations are also examples of diversification.

There's no doubt progress has presented farmers with a larger variety of choices and opportunities. But there is also no denying that despite all this variety, many farmers are suffering right now. I realize advances in technology and increases in world trade don't come across as positives when you're having a hard time simply making ends meet.

It will take time for the changing world economy to reach the point where Canada can take full advantage of its exporting capabilities. It will also take time for things like alliances with the health care industry and

niche production to start paying real dividends for farmers.

When world trade frees up markets and prices and trends like nutraceuticals, functional foods and ethanol-based fuel really get their legs, Canadian agriculture will be sitting in a prime spot to take advantage. We are prepared: we have started already to partner with other industries, we have been and continue to be on the leading edge of new technology and we have the adaptability and creative thinking power to stay ahead of international competition.

The agriculture industry's efficiency has increased dramatically during this century. Advances in conservation tillage, crop breeding and management and improved fertilizers mean we can produce more food on less land with fewer inputs.

Over the last 50 years or so the amount of milk produced per cow has doubled, resulting in a 50-per-cent decrease in the amount of land required to support the animals. The amount of chicken feed required to produce a dozen eggs also has been cut in half over the past 50 years.

These production increases have resulted in significant manure reductions. Today's farmers are very conscious of the environment and increasing efficiency is allowing them to decrease their environmental impact.

This kind of stewardship is another thing that will ensure our industry is competitive throughout the new millennium. The initiatives Canadian farmers are undertaking in everything from wildlife conservation to preventing manure run-off are proof of a strong commitment to sustaining the resources we were blessed with in this country. ■

Canada and China sign historic bilateral WTO agreement

Canada and China have reached an agreement on a wide range of market access issues related to China's entry into the World Trade Organization (WTO). The announcement was made by Minister for International Trade Pierre S. Pettigrew, who signed the agreement in Toronto with Chinese Minister of Foreign Trade and Economic Co-operation Shi Guangsheng.

The agreement is good news for both Canada and China. It provides for significant access to the Chinese market for not only large, but also small and medium-sized Canadian enterprises. It also brings China one step closer to membership in the WTO.

In the agreement, China, Canada's fourth largest trading partner, has committed to significantly improve access for many agricultural goods, including canola, canola oil, wheat, barley and malt. China has also committed to reducing tariffs on imports of Canadian industrial products and to liberalizing access into China's burgeoning services market, including telecommunications and financial services. These commitments will come into effect once China is admitted to the WTO.

In 1998, Canada's exports to China were valued at \$2.5 billion. The top export items in 1998 were: various grains, seeds and fruits, wood pulp, cereals and fertilizers, accounting for over 55 percent of all Canadian exports to China. ■

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Quebec receives funding for adaptation and rural initiatives

The Government of Canada has announced that it will provide \$17.4 million in funding to the Conseil pour le développement de l'agriculture du Québec (CDAQ) for adaptation and rural development initiatives in Quebec.

The funding is being provided under Agriculture and Agri-Food Canada's Canadian Adaptation and Rural Development (CARD) fund. A total of \$26.2 million in CARD funding has been allotted to Quebec's two CARD councils over four years.

Secretary of State for the Quebec Economic Development Agency and Minister of National Revenue Martin Cauchon, speaking at the Union des producteurs agricoles annual meeting in Quebec

City on behalf of Minister of Agriculture and Agri-Food Lyle Vanclief, presented a cheque for \$4.3 million to CDAQ, one of Quebec's two adaptation councils, marking the first installment of the four-year funding. CDAQ will be responsible for allocating the funding in Québec.

In addition, the Government of Canada will provide \$1 million from national CARD funding for a pilot program to improve the health of Quebec sheep and provide long-term benefits to Quebec sheep producers. A national program based on the pilot would ultimately benefit sheep producers across Canada. The funding will help the Fédération des producteurs d'agneaux et de moutons du Québec

establish a pilot program that will include livestock identification, flock health certification and administration and computerization.

First anniversary of Canada-U.S. ROU

Agriculture and Agri-Food Minister Lyle Vanclief and U.S. Secretary of Agriculture Dan Glickman marked the first anniversary of the Record of Understanding (ROU) between Canada and the U.S. on December 13, calling the agreement a major step in the ongoing process of agricultural trade relations.

"A year ago, we agreed to this Record of Understanding because we needed to put in place a more effective process for managing one of the most dynamic bilateral agricultural trading relationships in the world," said Mr. Vanclief. Two-way Canada-U.S. agriculture and agri-food trade has more than tripled since 1989, and amounted to more than \$22.8 billion in 1998.

Mr. Vanclief commented that he was pleased U.S. states and Canadian provinces have agreed to take up the challenge of working more closely together to help improve bilateral agricultural trade relations. He added that the increased volume of discussions at all levels between Canada and the U.S. is working to ensure that stakeholders in both countries are developing a better understanding of the importance of a rules-based agricultural trading system for our bilateral trade as well as to promote our shared interests in world trade liberalization. ■

Agriculture talks to proceed despite Seattle setbacks

In a joint statement released on December 4, Agriculture and Agri-Food Minister Lyle Vanclief and International Trade Minister Pierre Pettigrew announced that Canada was very disappointed that attempts to launch a new round of global trade talks at the World Trade Organization in Seattle had been suspended.

However, negotiations on agriculture and services, mandated in the last round, will proceed early in 2000 in Geneva.

According to Mr. Vanclief and Mr. Pettigrew, no single issue led to the suspension in the Seattle talks. Rather, it was the culmination of complex issues and processes.

The Ministers did point out, however, that important progress had been made on agriculture, on issues relating to least-developed countries, and on other important topics and that this progress had been locked in and

would not be lost.

During the conference, Canada held its position on every key area, according to the two Ministers. Canada made it clear that it would seek trade agreements that would contribute to its economic growth, advance its vital social interests, and open up the system to greater scrutiny and participation. Canada also worked tirelessly to find a mix that would advance Canadian interests, but also benefit the world's poorest nations.

Mr. Vanclief and Mr. Pettigrew stated that the Government of Canada looked forward to continuing the dialogue with Canadians on trade that had begun before Seattle and continued throughout the conference.

They also declared that the advantages of an open and rules-based global trading system are clear and irrefutable, and that Canada is committed to moving forward. ■

Funding for livestock environmental initiative announced

The Government of Canada sent a clear message about its commitment to the environment on December 10, 1999 with the announcement of \$1.3 million in funding that will encourage environmentally sound practices in the livestock sector.

Funding for the Livestock Initiative will be provided under the Government of Canada's Canadian Adaptation and Rural Development (CARD) fund. The Initiative includes two components: \$1 million for livestock research and technology development, assessment and transfer, and \$300,000 for the development of an environmental certification system for the hog industry.

The first component will be matched by industry for a total of \$2 million. The funds will be managed by the industry-led Livestock Initiative Committee, including representatives from the pork, dairy, poultry, cattle and other livestock sectors.

The second component involves developing an approach towards a certification system for the hog industry. Recognizing that work is already underway in some provinces, the needs and implications in developing a national approach will be investigated through the Livestock Initiative - Environmental Certification for the Hog Industry.

"The Government of Canada is

concerned about environmental issues affecting not only the pork industry, but all livestock industries," said Minister of Agriculture and Agri-Food Lyle Vanciel. "Last year's Hog Environment Management Strategy initiative showed how well industry and government can work together to address environmental challenges through research and technology, and it's encouraging to see the other livestock organizations coming on board in the Livestock Initiative, which will be entirely industry-led."

Created in the 1995 federal budget, the CARD fund is a \$60-million-per-year Government of Canada initiative. ■

Nova Scotia's agri-food industry receives boost

Nova Scotia's agri-food industry has received a boost with the receipt of a cheque for \$259,829 - the first installment of funding under the Canadian Adaptation and Rural Development (CARD) fund.

The cheque marked the first allocation to Nova Scotia's adaptation council under CARD for the next four years. The total four-year funding to the council will be \$2.2 million.

The Nova Scotia CARD adaptation council, Agri-Futures - Nova Scotia Association, will be responsible for managing the money for a broad set of adaptation initiatives in the province.

Industry-led adaptation councils like Agri-Futures - Nova Scotia Association have been established in each province and territory to administer the CARD funds in accordance with industry's adaptation priorities.

Canadian-made soybean product receives awards at Japan miso competition

Agriculture and Agri-Food Canada scientists at the Greenhouse and Processing Crops Research Centre (GPCRC) in Harrow, Ontario recently received two Special Participation Awards for the first foreign entries in miso competitions in Nagano and Tokyo, Japan.

Miso, a fermented soybean paste used in Asian culinary dishes, is a major food product made from Canadian soybeans exported to Japan and other Asian countries.

The miso production test program at the federal research centre began in March 1998 to support the centre's soybean breeding program and to evaluate the suitability of Canadian soybeans for making miso. The program is supported by the Canadian Soybean Export Association and the Japan Federation of Miso Manufacturers Cooperatives.

The soybean breeding program at the GPCRC is known throughout the world for its research on food-grade soybeans. Harovinton was the first

food-grade soybean variety developed by Agriculture and Agri-Food Canada. Released for commercial use in 1989, Harovinton has established Canadian soyfood soybeans as a premium quality product in Asia, where the Harovinton soybean is popularly known as "Asian Pearl". ■

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Promoting security, jobs and growth in agriculture and agri-food

Negative margins will be covered under AIDA

An extra \$170 million made available to farmers

Minister of Agriculture and Agri-Food Lyle Vanclief announced on November 4 that the Government of Canada is making a further \$170 million available to the two-year Agricultural Income Disaster Assistance (AIDA) program, raising federal emergency assistance to farmers above \$1 billion. This is in addition to ongoing annual federal farm payments of \$600 million.

"Program changes I am announcing today will directly help many farmers who have been suffering in recent years," said Minister Vanclief. "The federal government is working hard with the provinces to help Canadian farmers get through 1998 and 1999. We presume the provinces will maintain the 60:40 cost-sharing arrangement on total safety net expenditures."

The most important change to the AIDA program will see a good portion of farmers' eligible negative mar-

gins covered for both years of the program, 1998 and 1999. This and other changes were made after extensive consultations with the National Safety Nets Advisory Committee comprised of farm representatives.

For Canadian farmers, the announcement means an estimated \$1.78 billion in federal-provincial funding would be available to get them through two years of low international commodity prices and bad weather.

In Saskatchewan, federal-provincial AIDA support would increase from an estimated \$460 million over two years to about \$585 million, assuming provincial participation in the new measures. Saskatchewan producers also have taken advantage of changes to the Net Income Stabilization Account, withdrawing \$120 million out of \$435 million that has been triggered from their accounts for 1998.

In Manitoba, federal-provincial AIDA funds would increase from an expected \$154 million to about \$221 million, assuming again provincial participation. Manitoba farmers likewise have withdrawn \$42 million of the \$175 million triggered for 1998 in their NISA accounts.

Overall, Canadian producers have so far this year withdrawn a total of about \$274 million from NISA to maintain their incomes, up significantly from last year's withdrawals.

"We will continue to work with provinces and industry to find ways to help farmers, particularly those in most difficulty," said Minister Vanclief.

Minister Vanclief also announced other changes to the AIDA program. One will allow producers to make a one-time choice in 1999 of a reference period on which payments are based — either the previous three

(See *Negative margins* on page 3)

Co-operatives thrived in 1998

The top 50 co-operatives in Canada continued to thrive in 1998, doing a combined business of \$21.7 billion, according to recently released figures.

The 1998 figures for total assets showed an increase of more than eight per cent compared to 1997.

According to the new figures, membership for the top 50 co-opera-

tives rose by 13 per cent in 1998. While the employment rate in Canada increased by 2.8 per cent between 1997 and 1998, the top 50 Canadian co-operatives hired five per cent more workers in 1998, employing nearly 39,000 people. The Coopérative fédérée de Québec was the largest employer again last year with more than 7,400 employees, while the

Saskatchewan Wheat Pool remained the largest of the top 50 co-operatives, with more than \$4.3 billion in sales.

The list of the top 50 co-operatives does not include financial co-operatives, such as caisses populaires and credit unions. Of the top 50 co-operatives on the 1998 list, 33 are related to agriculture. ■

Expanded greenhouse means better veggies

Greenhouse vegetable production in the Medicine Hat, Alberta region has received a boost with the opening of expanded facilities, including a state-of-the-art automated cucumber grading and sorting system, at Redcliff's Red Hat Co-operative.

Representing 55 members and 65 acres of greenhouse capacity in the Medicine Hat area, the Red Hat Co-op is one of the largest Long English cucumber packaging operations in North America. The expanded facilities and automated grading and sorting system will enable the Co-op to improve its capacity and competitive position in the North American greenhouse industry.

One-third of the project's \$722,246 cost was covered by the federally-funded Canada Agri-Infrastructure

Program (CAIP). Under CAIP, Alberta will receive \$29 million to support the province's agricultural infrastructure as well as enhance the capacity of its agriculture and agri-food sector.

The grading and packaging technology introduced with the new system is unique to Canada and North America, and is expected to result in a product that better meets the needs of grocery chains, while providing the consistent quality demanded by customers.

Red Hat Co-op graded, packed and distributed more than 1.3 million cases of cucumbers in 1998. The Co-op's growers also produce a range of other greenhouse crops, including hot-house tomatoes, tomatoes-on-the-vine and Sweet Bell peppers. ■

PEI Council commits funds to Environmental Farm Plan initiative

In an effort to ensure Prince Edward Island families, communities and future generations inherit a rich and healthy natural resource base, the PEI ADAPT Council has committed \$96,000 towards the support of the Environmental Farm Plan (EFP) initiative in the year 2000.

The EFP calls for farmers to complete an environmental assessment of their operation and develop an action plan tailored to the farm's specific conditions. The ADAPT Council funds will be used to provide technical support through a series of workshops to assist individual producers in completing their EFP.

The PEI ADAPT Council is a not-for-profit organization made up of members representing community, agribusiness and farm organizations. The Council administers P.E.I.'s por-

tion of the Canadian Adaptation and Rural Development (CARD) Fund from Agriculture and Agri-Food Canada.

The Atlantic Farmers Council, which represents the provincial federations of agriculture in Atlantic Canada, has been working with major farm organizations and provincial government departments throughout Atlantic Canada to develop this initiative. Regionally, the Farmers Council anticipates 75 per cent of the primary agricultural sector will complete an EFP within the next four years.

Nearly 200 Island farmers have already achieved this mark. The Council would like to have another 500 Island farmers join in this leadership role by completing EFPs by March 2001. ■

Ruling finds Canadian cattle imports do not pose risk of injury to U.S. industry

An October 14 United States Department of Commerce (DOC) ruling on countervailing duties is a victory for the Canadian cattle industry according to Minister of Agriculture and Agri-Food Lyle Vanclicf and International Trade Minister Pierre Pettigrew.

The ruling confirms what Canada has always maintained – that its live cattle industry is not unfairly subsidized.

The ruling upholds a May 4 preliminary decision that existing Canadian subsidies do not justify the imposition of a provisional countervailing duty against imports of Canadian beef cattle. The subsidy investigation is now terminated.

In a separate decision, the DOC had also ruled that an anti-dumping duty imposed in July would continue at the adjusted rate of 5.63 per cent ad valorem, up slightly from the provisional rate of 5.57 per cent. The duty could only become permanent if the U.S. International Trade Commission (USITC) ruled that imports from Canada were injuring or threatening injury to the U.S. industry.

On November 9, the USITC ruled that imports of Canadian cattle did not cause or threaten to cause injury to U.S. producers.

"The Commission reached the only possible logical conclusion," said Minister Vanclicf in response to the ruling. "This is great news for Canadian cattle producers because it both removes the duty and means that the anti-dumping duties collected will be returned."

Funding announced for farm safety and rural health projects

The Canadian Coalition for Agricultural Safety and Rural Health has approved over \$767,000 in funding under the Canadian Agriculture Safety Program (CASP) for 25 farm safety and rural health projects.

The projects will enhance awareness of farm safety issues as well as implement preventative programs targeted at increasing farm safety awareness.

Funded by Agriculture and Agri-Food Canada's Canadian Adaptation and Rural Development (CARD) Fund, CASP has committed funding during the past five years to projects that have raised the level of awareness and standards for farm safety and rural health related issues in Canada.

Agriculture across Canada is as diverse as its population. Recognizing this, CASP has encouraged projects that complement this diversity.

Every province has accessed funds to initiate and coordinate farm safety and health promotion or awareness projects. Among the projects recently approved are national and provincial farm safety media campaigns, an interactive Internet module focused on tractor rollover prevention education, production of a video on machinery-related injuries prevention and a series of workshops on the dangers associated with working in confined agricultural areas.

The Canadian Coalition for Agricultural Safety and Rural Health invites applications from non-profit organizations with farm safety and rural health initiatives focused on reducing agricultural related fatalities, injuries and health problems through targeted preventative programs. The deadline for submitting an application form is Dec. 17, 1999.

For more information on CASP or to obtain an application form, contact Sandra MacKinnon at 420 University Avenue, Charlottetown, P.E.I., C1A 7Z5 or by telephone: (902) 368-3118, fax: (902) 363-7204 or e-mail: caspp@auracom.com ■

Negative margins (continued from page 1)

years or three of the previous five years where the high and low income years are not counted. Another change will ensure family and non-family labour are treated the same in calculating eligibility for 1999.

"Over the past year, we have seen governments and industry work together to face the income situation across the country. We must now focus on the year 2000 and beyond, and the need to improve our safety net system to deal with the future," added Minister Vanclief. ■

WTO supports Canada's ability to limit dairy imports

On October 13, the World Trade Organization (WTO) Appellate Body ruled that Canada can continue limiting imports of fluid milk, under the tariff rate quota (TRQ), to cross-border purchases by Canadian consumers.

With respect to the TRQ for fluid milk, Canada had appealed the panel's decision that the limitation on imports of fluid milk only to consumers was inconsistent with Canada's WTO obligations. The Appellate Body decision supports Canada's position, although minor changes to the current import regime will be required.

On another issue, the Appellate Body upheld an earlier WTO panel ruling that Canada's dairy export pricing practices constitute an export sub-

sidy on some of the milk used in products for export.

With respect to the export issue, it is expected that some adjustments will be required to certain aspects of Canada's dairy export pricing practices. The Appellate Body of the WTO has ruled that the Canadian dairy industry's pricing system as it applies to milk used in some export products is an export subsidy and does not conform with Canada's commitment under the WTO Agreement on Agriculture. However, the WTO ruling doesn't prevent Canada from exporting dairy products.

For more information please visit www.agr.ca/cb/trade/multi/dairy.html or www.dfait-maeci.gc.ca. The report is available at www.wto.org ■

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Celebrating Canada's agriculture and food sector

First-ever Canadian Agriculture and Food Celebration launched



**Agriculture and
food celebration
Fête de l'agriculture
et de l'alimentation**

The first-ever Canadian Agriculture and Food Celebration was launched on October 4 at the Central Experimental Farm before an audience of Grade 4 and 5 students from Charles Hulse Public School in Ottawa.

The students were helping Agriculture and Agri-Food Minister Lyle Vanclief and Heritage Canada Foundation chairman Michael Kluckner officially kick-off the Celebration and unveil the Heritage Day 2000 teacher's guide and poster.

The Celebration, which will take place annually in October, aims to highlight the importance of the Canadian agriculture and agri-food sector, from its potential to provide jobs and stimulate economic growth, to its world-class reputation for providing safe and high-quality food. "As we move into a new millennium, we've got plenty to celebrate in the agriculture and agri-food sector," said Mr. Vanclief, "a sector that is not only about feeding Canadians' appetites – but also about feeding the Canadian spirit."

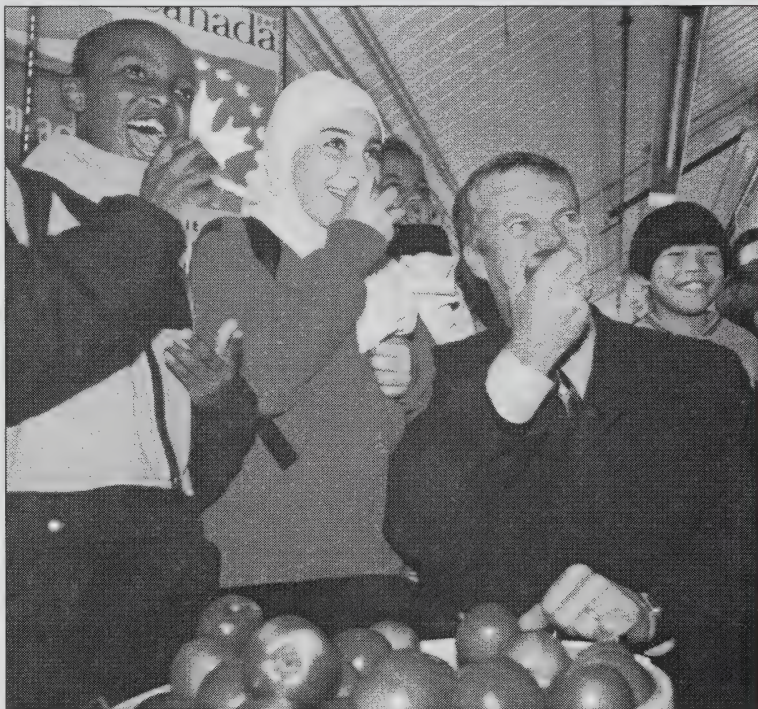
"With World Food Day approaching, and its theme of 'Youth against hunger,' it's a good time to remind Canada's young people of the positive role they can play in the fight against worldwide hunger," said Mr. Kluckner. "The Heritage Canada

Foundation is proud to join with Agriculture and Agri-Food Canada in launching the Canadian Agriculture and Food Celebration."

"We are pleased Minister Vanclief has chosen this occasion to unveil our

history and achievements of Canadians in agriculture."

The Celebration is one of the key millennium projects of AAFC. Federal, provincial, territorial and industry partners have developed



Minister of Agriculture and Agri-Food Lyle Vanclief with Grade 4 and 5 students at the launch of the Canadian Agriculture and Food Celebration at the Central Experimental Farm in Ottawa on October 4.

Heritage Day 2000 poster and teacher's guide, which, along with other teaching materials for Heritage Day, February 21, 2000, explore our farming heritage and celebrate the

activities and events across the country that will raise awareness of the sector and recognize the hard work and dedication of Canadians working in the agriculture and food industry. ■

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agrivision

Promoting security, jobs and growth in agriculture and agri-food

Montreal to play host to North American SIAL

Canadian agri-food export sales will receive a shot in the arm with the announcement that SIAL (Salon international de l'alimentation), the bi-annual international food exposition, has decided to call Montreal its North American home.

Every two years, food and beverage companies from around the globe compete and exhibit at SIAL food shows in Paris, Asia and Latin America. Organizers recently opted to add a North American stop on the tour and Montreal won the honour.

It's estimated SIAL-Montreal will attract nearly 1,000 Canadian and international exhibitors and 12,000 visitors, including international media, foreign buyers and political officials.

SIAL makes its first appearance in Montreal in 2001, and will offer Canadian companies a chance to display their award-winning products to the world market. The event aims to increase Canadian inter-

national export sales and North American trade between Canada, the U.S. and Mexico. Organizers also hope SIAL-Montreal will become the

sales per year, with total two-way agri-food trade among Canada, the U.S. and Mexico worth about \$40.2 billion annually. These numbers demonstrate the possible economic spin-offs of SIAL-Montreal.

"Many economic benefits will result from SIAL-Montreal," said Minister of Agriculture and Agri-Food Lyle Vanclief in response to the announcement. "We currently do an enormous amount of trade with our North American partners, and SIAL-Montreal can only help increase that amount."

SIAL-Montreal will be managed by the newly created consortium comprising three key partners: SIAL-Exposium, the founding company in Paris, the Quebec Food Retailers' Association and the Quebec Agri-Food Export Club.

"I'm exceptionally proud of the food we produce," said Minister Vanclief. "And I'm excited that the world will be coming to Canada's dinner table." ■



Minister Lyle Vanclief during the announcement that Montreal will host the North American leg of the renowned SIAL food show beginning in 2001.

leading food show in North America.

The North American food market accounts for roughly \$1.4 trillion in

Voluntary labelling project announced for foods derived from biotechnology

The Canadian Council of Grocery Distributors (CCGD) and the Canadian General Standards Board (CGSB) are launching a project to develop a Canadian standard for the voluntary labelling of foods derived from biotechnology.

The CGSB, an accredited standards development organization within Public Works and Government

Services Canada, will manage the development of the standard on behalf of the CCGD.

Agriculture and Agri-Food Canada will provide support for the project through its Agri-Food Trade 2000 program.

"The Government of Canada believes in the right of consumers to have access to information as it

relates to biotechnology and food," said Minister of Agriculture and Agri-Food Lyle Vanclief. "This is a complex issue and any labelling has to be meaningful to consumers. Consistent codes of practices for voluntary labelling of foods derived from biotechnology will give consumers information to make choices."

(See *Biotech labelling* on page 2)

Water treatment plant opening to provide clean water, economic opportunities

A new water treatment plant that will ensure a reliable water supply for Dauphin-area producers, residents and businesses, and will contribute to economic development in the region, has been officially opened.

Representatives from all levels of government were on hand to launch the \$9-million facility which was funded equally by the federal, provincial and municipal governments.

The treatment plant, located southwest of the city, was needed following a 'boil water order' issued by provincial health authorities in 1996, when *Giardia*, a parasite that causes gastrointestinal symptoms such as diarrhea, was found in the main drinking supply.

As part of a three-way agreement between the Government of Canada, Province of Manitoba, and City of Dauphin, the opening represents the final stage in a two-phase program to upgrade the city's water supply.

The plant will provide the city of Dauphin and surrounding area with a safe, clean water supply, support the development and expansion of local industry and provide increased economic development opportunities in the Parkland region.

The Government of Canada provided \$3 million in funding for the plant through the Canada Agri-Infrastructure Program (CAIP), announced in the 1995 federal budget. More than \$30 million in federal funding has been distributed to 23 projects in Manitoba through CAIP. Provincial funding of \$3 million was made available through Manitoba Rural Development's Water Services Board.

Project management services for construction of the plant were provided through Agriculture and Agri-Food Canada's Prairie Farm Rehabilitation Administration (PFRA). ■

New Brunswick receives funding for on-farm food safety and quality

The Government of Canada has announced \$650,000 in funding under the Canadian Adaptation and Rural Development (CARD) Fund to help the New Brunswick agriculture industry implement on-farm food safety and quality strategies.

In supporting on-farm projects aimed at providing a standard approach to food quality and safety, CARD funds are expected to foster increased market access for New Brunswick agri-food products.

The funding will also help producers capitalize on future growth opportunities from an increasing number of markets that are seeking food products originating from farms with more structured food safety and

quality programs.

The funding completes a commitment to New Brunswick from the 1995-1999 CARD program. It will be delivered to the New Brunswick Agricultural Council, who will distribute it throughout the province.

Created in the 1995 federal budget, the CARD fund is a \$60 million-per-year Government of Canada initiative designed to encourage growth, development and adaptation in Canada's agri-food industry.

The programs developed through CARD are designed to put more decision-making power in the hands of industry to support growth and job creation in the agri-food sector and in rural communities. ■

Biotech labelling

(continued from page 1)

The voluntary labelling standard will be developed with participation from consumer groups, food companies, producers, interest groups and government, through the formation of a standards committee expected to meet in October.

Voluntary labelling by food companies is already an option to identify biotechnology products that do not require mandatory labelling, provided the label is true and not misleading and not in violation of other regulatory requirements. The project by CCGD and CGSB will provide further guidance for food companies and manufacturers.

Initial studies, including a National Institute of Nutrition study on voluntary labelling in April 1999, indicated that consumers view labelling as important, but not as a cure-all. The study also illustrated the need for greater public understanding of this issue. The provision of information to consumers on foods derived from biotechnology through means other than labelling, such as through the mass media, point of sale literature and advertising, are also seen as useful alternatives.

Under the *Food and Drugs Act*, mandatory labelling must occur for all foods, including those derived from biotechnology, when nutritional changes are made to the product, or to alert consumers of possible health concerns such as the presence of food allergens. Health Canada and the Canadian Food Inspection Agency cooperate on matters related to food labelling.

Fact sheets on foods from biotechnology and the CGSB are available upon request by phoning (613) 228-6682, or on the CFIA Web site at: www.cfia-acia.agr.ca. ■

Why the fuss over the WTO talks?

by Agriculture and Agri-Food
Minister Lyle Vanclicf

"Why are you so concerned about these so-called WTO talks when farmers are hurting now because of low prices for their products? Nothing is supposed to come of these talks for three years – at least!"

I've been asked that, and it's a legitimate question. Let me try to explain why we are taking these trade negotiations so seriously. It is because, in the long term, we believe these negotiations can help farmers get what they deserve for their production out of the marketplace, which is all that farmers want themselves.

Right now, there are two reasons for those low prices: oversupply because of a series of good crops worldwide and reduced demand in Asia and Latin America; and huge foreign subsidies of those products, which further drive down the price in the marketplace. The size of the crop in the future will be decided by farmers' planting decisions and the weather, so what we are concentrating on are those foreign subsidies. We have to convince the United States and the European Union, the prime subsidisers, that over the long term farmers need – and want – to get a reasonable return in the marketplace and not from the mailbox.

Canada is not alone in this belief. Last month, I met with the Cairns Group, some 15 like-minded

agricultural exporting countries named after Cairns, Australia, the place they first met. Canada is a member of this group, along with major trading countries like Australia, South Africa and Argentina. At the end of our latest meeting, we agreed on a common negotiation front: freer, fairer and more market-oriented trading conditions.

"We have to convince the United States and the European Union, the prime subsidisers, that over the long term farmers need – and want – to get a reasonable return in the marketplace and not from the mailbox"

This is what we will be pushing for when talks begin this fall in Seattle, Washington. It is there that the latest round of WTO agriculture negotiations will be launched. It is there that we have to try our best to convince our other trading partners and competitors to let farmers make their decisions based on the market rather than on the size of national treasuries.

I've said it before and I will be repeating it in Seattle: farmers are among the most efficient business people in the world – they have to be, given the thin margins associated with the industry. Our farms are fertile and our desire to succeed is

beyond compare. If we can curtail these destructive foreign subsidies, our farmers will be able to compete with those of any other country in the world.

In the meantime, we have had to take short-term measures to deal with what has happened to commodity prices. With the co-operation and support of the provinces, we have made our existing farm support program more flexible by increasing access to the Net Income Stabilization Account (NISA) program, and we have introduced the \$1.5-billion Agricultural Income Disaster Assistance (AIDA) program. We are working on improvements to AIDA and we are exploring ways to implement a long-term disaster program.

However, no one argues that the best long-term farm support program is a healthy market bringing fair returns to farmers for their efforts, unencumbered by trade-distorting subsidies. That is our aim at the WTO talks and that is why you will see and hear so much about those talks in the coming months.

If you have some thoughts on this column, or other topics you would like to see addressed, please don't hesitate to contact me at: <http://www.agr.ca/cb/mail/emailmin.html>. Or you can write to me at: Lyle Vanclicf, Minister Agriculture and Agri-Food Canada Sir John Carling Building 930 Carling Avenue Ottawa, Ontario K1A 0C5 ■



New swine complex opens in Lennoxville

A new swine complex at the Dairy and Swine Research and Development Centre in Lennoxville, Quebec, has officially opened.

The new \$5-million swine complex will replace the existing buildings, which date back to the 1950s and 1960s, with modern, energy-efficient facilities.

The new buildings at the Lennoxville Research Centre are equipped with the scientific equipment required for leading-edge research activities, including a new manure management system and animal stalls that are better suited to research activities. The new facilities will make it possible to

meet the needs of the hog breeding sector more effectively in such research areas as piglet growth and survival, sow milk production, meat quality and yields, manure management and swine living conditions.

The Dairy and Swine Research and Development Centre in Lennoxville, Quebec, is one of 18 Agriculture and Agri-Food Canada (AAFC) research centres in Canada. The Centre's mission is to increase the competitiveness and profitability of dairy cattle and swine breeding in Canada, while ensuring the welfare of animals and furthering environmental protection. ■

AIDA program on target

Recent figures show that the Agricultural Income Disaster Assistance (AIDA) program, announced last December, is being used by farmers to ease the economic impact of recent low commodity prices and other forces.

More than 54,217 producers across Canada have now applied for AIDA and \$198.8 million has been paid out to 13,890 producers to date. As a result of the overwhelming response rate, it is expected that most, if not all, of the \$600 million in federal and provincial funds available to address the income problems of 1998 will be paid out to farmers.

An additional \$900 million in federal and provincial funding is available for 1999. Interim application forms for 1999 are now available in the four provinces where the federal government is delivering the program. By completing this application, farmers are eligible for an advance payment of up to 60 per cent of their AIDA payment for the 1999 tax year. ■

New members appointed to CAMC

The Canadian Agri-Food Marketing Council (CAMC) will benefit from the expertise and experience of nine new members appointed recently by Agriculture and Agri-Food Minister Lyle Vancilief and International Trade Minister Pierre Pettigrew.

The new members include: Kazuko Komatsu, President and CEO, Pacific Western Brewing Company; Bob Friesen, President, Canadian Federation of Agriculture; Glenn Ells, President, Kings Produce; Jean Gattuso, President and General Manager, A. Lassonde Inc.; Anne Chong Hill, President, Global Gourmet Foods Inc.; C. Hock Choong, Business Development Manager, Semex Alliance; Angelo Locilento, President, Vin-Bon

Juice Co. Ltd. and Cilento Wines Ltd.; John Omstead, President, Family Tradition Foods Inc.; and Ken Porteous, President, Lingwood Farms Ltd.

Formed in 1997 by the federal government, CAMC is an organization that advises the two ministers on market development and trade-related issues. Its primary objective is to set and support domestic and international market-expansion goals.

CAMC has proposed an industry goal of increasing Canada's global market share from three to four per cent by 2005.

Council membership is spread across all regions of Canada and includes all aspects of the agriculture and agri-food industry. ■

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Promoting security, jobs and growth in agriculture and agri-food

Agriculture ministers meet in Prince Albert

Farm safety net system, next round of WTO talks top agenda

Federal, provincial and territorial agriculture ministers closed their annual meeting in Prince Albert on July 7 after two intense days spent examining the farm safety net system as well as the critical role Canada's trade policy plays in improving farm incomes.

Ministers discussed the current farm income situation, resulting from low prices and adverse weather affecting many parts of the agriculture industry across the country. The ministers reviewed preliminary assessments of the various programs under the current farm safety net system and discussed at length the need for a long-term disaster assistance program. They also set a firm timetable for next steps.

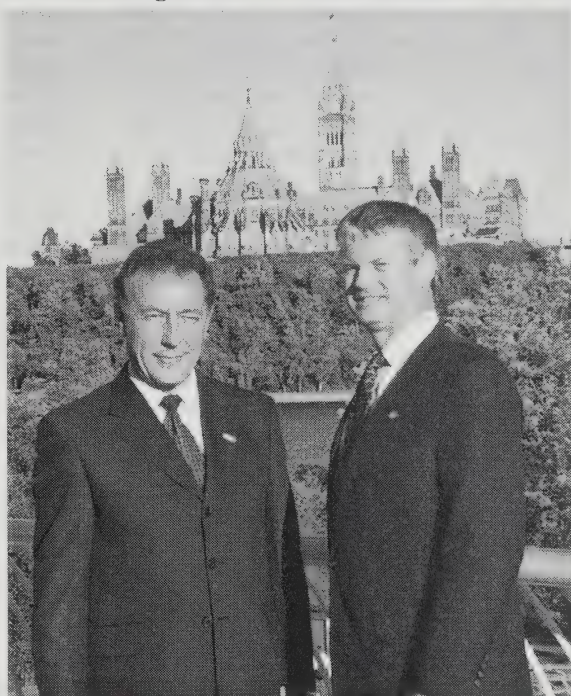
In November, ministers will analyze the future direction of the national safety net system. This will be discussed fully with industry. Ministers will decide at that time on a mechanism for funding allocations among provinces. The implementation of a national five-year program will be determined in February 2000.

Preparations for the upcoming

round of World Trade Organization (WTO) talks were also a high priority during the meeting. Ministers recog-

Canada's initial negotiating position in the upcoming WTO talks, scheduled to begin in November.

Brazilian Ag Minister visits Canada



Brazilian Minister of Agriculture and Supply, the Honourable Francisco Sérgio Turra, and Minister of Agriculture and Agri-Food Lyle Vancielief on June 15 during the Ottawa leg of Mr. Turra and his Brazilian delegation's visit to Canada. (For full story, please see *Brazilian Minister* on page 4.)

The results of trade consultations held across the country over the last two years, which culminated in a federal-provincial conference with industry in Ottawa last April, were reviewed by ministers. During the meeting, provinces also had the opportunity to put forward their views. The elements are now in place to develop a strong position aimed at the best possible outcome for Canada at the negotiating table. A detailed position statement will be unveiled in August. Canada will then begin promoting its objectives internationally.

Trade relations with the U.S. and European Union were also discussed at the meeting, including recent trade irritants and disputes. Ministers recognized that regular dialogue with their U.S. counterparts, as well as between producers on

both sides of the border, reduces the risk of trade irritants becoming major disagreements.

(See *Ministers' meeting* on page 3)

Aliments Ultima Inc. project gets CARD funding

Aliments Ultima Inc. of Brossard, Quebec will receive \$1 million in assistance from the Fonds québécois pour l'adaptation des entreprises agroalimentaires (FQAEA), an industry-led council that distributes funding from Agriculture and Agri-Food Canada's \$60-million-a-year Canadian Adaptation and Rural Development (CARD) Fund.

The funds will support a \$25-million high-tech investment made by the dairy processor to modernize and upgrade the production capacity of its Granby plant and the storage capacity of its national distribution centre in Ville d'Anjou. The investment is intended to help the company better respond to increasing demand from Canadian consumers.

Aliments Ultima Inc. is one of the three major players in Canada's yogurt industry. Since 1993 it has brought Canadian consumers the full Yoplait product line. It employs more than 350 people at its head office in Brossard, its Granby plant and its national distribution centre in Ville d'Anjou.

The aim of CARD, which was first announced in the 1995 Federal Budget, is to promote the growth, development and adaptation of Canada's agri-food sector. On March 29, 1999, Agriculture and Agri-Food Minister Lyle Vanclief announced that this program would be extended into the new millennium. ■

New system will enhance crop production while protecting the environment

An innovative new project being introduced in Alberta, thanks to Government of Canada funding, is expected to save farmers time and money, and protect the environment.

The Soil Variability Analysis to Enhance Crop Production (SVAECP) project uses landscape and soil variability data, accessible through the Internet, to give farmers valuable information they can use as they make decisions regarding crop management. The new system enables producers to more accurately pinpoint the proper amounts of fertilizer, herbicides and pesticides to apply.

The project will allow producers to better control and make better decisions regarding the application of fertilizers on their farming operation.

The SVAECP project is one of more than 50 initiatives approved by Alberta's Agriculture and Food

Council to receive Canadian Adaptation and Rural Development (CARD) funds from the federal government. Landwise Inc., the main group behind the project, received \$189,000 in CARD funding for a period of 24 months and, along with its project partners, contributed \$360,440 in cash and in-kind services for a total budget of \$549,660.

Industry and government partners joining Landwise in this project include Agrium Inc., Norwest Labs, Westco Ltd., InfoHarvest Inc., Landmapper Environmental Solutions Contract Pedology Services Ltd., Parkland Conservation Farm Association, Alberta Agriculture, Food and Rural Development (Agronomy, and Conservation and Development Branches), and Agriculture and Agri-Food Canada (Land Resources Unit). ■

Program helps make farms safer places to work and grow

Agriculture and Agri-Food Canada has signed a four-year agreement with the Canadian Coalition for Agricultural Safety and Rural Health to administer the Canadian Agriculture Safety Program (CASP). The agreement provides \$1 million per year to be distributed to non-profit organizations for projects at provincial and national levels that focus on agricultural safety and rural health.

The funding is being made available under the Canadian Adaptation and Rural Development Fund, a \$60-million-per-year Government of Canada initiative created in the 1995 Federal Budget and designed to encourage growth, development and adaptation in Canada's agri-food industry and rural communities.

Established by AAFC in 1995,

CASP has been successful in raising the level of awareness and standards of farm safety and rural health-related issues in Canada.

The Canadian Coalition for Agricultural Safety and Rural Health administers the program, while provincial and national lead agencies co-ordinate the funding within their respective jurisdictions.

Examples of projects funded under CASP include the Canadian Agricultural Injury Surveillance Program coordinated by Queen's University, the production of a live-stock handling video produced by the Manitoba 4-H Council and the development and organization of regional workshops in Quebec to promote the safety of farm children by the Union des producteurs agricoles. ■



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☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5

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- Photos/Graphics	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
- Easy to read	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5

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6. Do you have any other suggestions on ways to improve, or general comments on, *agrivision*?

Please fax your completed questionnaire to Mark Prieur at (613) 759-7990 or email your answers and comments to prieurm@em.agr.ca with "agrivision questionnaire" under the subject headline.

The information in this questionnaire will be used by AAFC to improve the look, content, and distribution of *agrivision*. Thank you for your participation!

*Provision of the information requested on this document is voluntary and you may, without prejudice, decline to respond. Information may be accessible or protected as required under the provisions of the Access to Information Act.

Canada opens first facility in the world combining human and animal research



Agriculture and Agri-Food Minister Lyle Vancielief and Health Minister Allan Rock

announced on June 11 that Canada's new world-class, internationally recognized federal laboratories complex for human and animal health in Winnipeg has met all requirements for biosafety certification and may now begin full operation. The new laboratories complex will be named *The Canadian Science Centre for Human and Animal Health*.

The \$172-million state-of-the-art complex, equipped with the world's

best technology and jointly operated by the Canadian Food Inspection Agency and Health Canada, incorporates laboratories classified at Levels 2 and 3, and houses Canada's first Level 4 biocontainment laboratories. The Centre will employ approximately 250 people.

"By enhancing Canada's ability to remain free of serious foreign animal diseases, this centre will play a crucial role in the protection of the Canadian food supply. Our ability to diagnose disease and respond to outbreaks is essential to protecting our animal resources and contributes to international confidence in Canadian animal products," said Mr. Vancielief.

The new facility has been designed and built to meet or exceed Canadian and international standards for biosafety. Internationally recognized specialists with expertise in containment and biosafety have worked with federal officials from the beginning to ensure that national standards for construction and operation have been met. Once operational, each laboratory will be retested and certified annually. ■

Ministers' meeting

(continued from page 1)

Agricultural implications with respect to climate change and greenhouse gas emissions were also discussed. Ministers agreed there is a need for further research on nitrous oxide and methane emissions under Canadian conditions. They also noted that agriculture can be a part of the global solution to reduce greenhouse gas emissions and acknowledged the need to engage the broader farm public in strategies to reduce emissions.

On biotechnology, ministers recognized the opportunities and challenges presented by new technologies. They asked their officials to develop a plan to help maintain consumer confidence while ensuring access to foreign markets for Canadian products.

Ministers also agreed to jointly support the Canadian Agri-Food Marketing Council (CAMC) proposal to strengthen the alliance between producers and processors and the need to work together to meet industry export targets.

Next year's agriculture ministers' conference will be held in Fredericton, New Brunswick. ■

Transgenic tobacco plants could help battle Crohn's disease

Field trials have begun in Ontario on transgenic tobacco plants designed to produce a protein with important health applications.

The low-nicotine tobacco strains (*Nicotiana tabacum*) are being tested to see if they produce the human gene for a protein called Interleukin-10 (HIL-10). The protein has multiple roles in human immune system functions, and is being researched as a treatment for Inflammatory Bowel Syndrome and Crohn's Disease. Researchers hope tobacco plants will provide a low-cost, high-volume and pure source of HIL-10.

Tobacco is an ideal plant for this research because it is a non-food crop, it doesn't survive over winter, it has no wild relatives in Southern Ontario, and the interleukin is produced in the leaves so plants can be harvested before they flower.

The tobacco plants have been produced in a laboratory from tissue

cultures and are now being shifted to outdoor test plots where they will be grown and harvested according to strict rules laid out by the Canadian Food Inspection Agency (CFIA). Researchers at the London Health Sciences Centre will then evaluate the Interleukin-10 the plants produce to determine its medical value.

The plants, which carry a human gene, were developed by Agriculture and Agri-Food Canada (AAFC) scientists. Using plants as a source for the commercial-scale production of proteins, vaccines and enzymes is known as molecular farming.

This is the first time that Agriculture and Agri-Food Canada researchers have conducted field trials using a plant with a human gene. It is also the first time that tobacco has been used for this type of molecular farming research in Canada. ■

Brazilian Minister of Agriculture visits Canada

Trade issues, the upcoming World Trade Organization talks, and bilateral agriculture and agri-food business opportunities topped the agenda when Brazilian Minister of Agriculture and Supply Francisco Sérgio Turra visited Canada June 13-20.

Joining Mr Turra on the mission were key Brazilian business and association decision-makers representing a cross-section of the Brazilian agriculture and agri-food industry.

The mission made stops in Charlottetown, Ottawa, Toronto, Winnipeg, Saskatoon and Calgary.

During the Ottawa leg of the tour, Mr. Turra and Minister of Agriculture and Agri-Food Lyle Vanciel met to discuss bilateral trade and other issues of interest to both countries.

Canadian business groups and associations in the areas of grains, special crops, horticulture, potatoes, cattle, swine, poultry and goats also met with their Brazilian counterparts during the mission to explore opportunities for exports.



Brazil is the world's eighth largest economy with a gross domestic product that grew almost four per cent in 1997 to US \$800 billion. It is the fifth largest nation in the world and has the largest and most industrialized economy in Latin America.

Canadian agri-food exports to Brazil have increased dramatically from \$4.9 million in 1988 to an all-time high of more than \$390 million in 1996. ■

Research centre expansion to give beef industry a significant boost

A \$36-million, two-phase expansion and retrofit at Agriculture and Agri-Food Canada's Lethbridge Research Centre (LRC) is expected to provide a significant boost to Canada's cattle industry by improving and modernizing research facilities and research capacity in Alberta.

The LRC is the lead centre for the national beef research program with western Canadian responsibilities for development of new plant varieties, cropping systems, biocontrol of weeds, range management, soil conservation, water quality and waste management.

"An expansion of this type to one of the country's premiere research facilities will pay huge dividends and build on the already strong research partnerships that exist between government and industry," said Minister of Agriculture and Agri-Food Lyle Vanciel.

Research at the centre will continue to focus on beef cattle, crop research and land resource management. ■

Canadian Agriculture and Food Celebration

October 1999

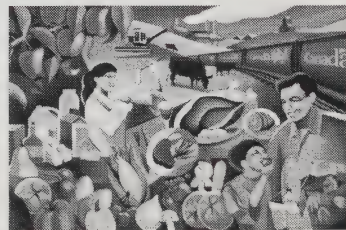


Agriculture and
food celebration
Fête de l'agriculture
et de l'alimentation

The first Canadian Agriculture and Food Celebration will be launched in October 1999. The event will highlight the importance of the Canadian agriculture and agri-food sector, its remarkable contributions to Canada throughout history, and its potential to provide jobs and stimulate economic growth.

The event will also be an excellent opportunity to acknowledge and thank the nearly two million people involved in the agriculture and food industry, and to celebrate an industry that feeds the Canadian spirit.

For more information on this event, visit: <http://www.agr.ca>. ■



agrivision

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agrivision

Promoting security, jobs and growth in agriculture and agri-food



Minister of Agriculture and Agri-Food Lyle Vanciel with provincial ministers of Agriculture in Ottawa April 19: Discussing Canada's negotiating position in light of upcoming World Trade Organization talks.

WTO conference lays groundwork for Canadian negotiating position

A two-day conference aimed at bringing Canada closer to a strong negotiating position for the upcoming World Trade Organization (WTO) talks took place in Ottawa on April 19-20. The conference, hosted by Agriculture and Agri-Food Canada and provincial agriculture ministries, gave both federal and provincial levels of government a chance to listen to the views and priorities of about 400 agriculture and

agri-food industry stakeholders. It was the first time industry stakeholders from all parts of the sector sat down together at a national level to discuss international trade issues.

"Industry participants have listened carefully to each other's interests and concerns, and progress has been made toward reaching consensus on many of the key issues," said Minister of Agriculture and Agri-Food Lyle Vanciel. "It is clear the

sector wants the elimination of export subsidies and more market access for food products. Participants also underlined Canada's right to maintain its own domestic institutions, like supply management and the Canadian Wheat Board."

Mr. Vanciel and Saskatchewan Agriculture Minister Eric Upshall opened the conference. International Trade Minister Sergio Marchi, U.S. Secretary of Agriculture Dan Glickman, and Minister of Natural Resources and Minister responsible for the Canadian Wheat Board Ralph Goodale also spoke to delegates during the event.

"It is my personal commitment to continue to defend Canada's interests," said Mr. Vanciel. "I will instruct our negotiators to aggressively pursue the goals of the Canadian industry."

Mr. Vanciel stressed that while the conference wrapped up the initial phase of consultations, discussion with industry would continue throughout the WTO talks.

"Canada's agriculture and agri-food industry and the provinces will continue to be informed and consulted at every step of the negotiating process," said Mr. Vanciel. "There will be no surprises in the agreements we reach on agricultural trade."

(see *WTO conference* on page 2)

CRP helps fund project aimed at teaching youth about dangers of drugs and alcohol

Roughly 15,000 Grade 6 students in rural schools throughout Western Canada will learn about the dangers of drugs and alcohol this year through a program known as DARE.

With the help of \$37,500 from the Government of Canada's Canadian Rural Partnership (CRP) program, the RCMP recently trained 120 uniformed police officers to teach students the DARE - Drug Alcohol Resistance Education - program.

"As police officers, we see first-hand the damage drugs and alcohol can do to individuals, families and communities," said Staff Sergeant Tim Vatamaniuk, the RCMP spokesperson. "Educating our youth

on the potential pitfalls of substance abuse is a good way to help prevent future problems."

Officers graduating from the 80-hour intensive DARE training course have made a strong commitment to teach students the negative effects that alcohol, drugs and violence can have on schools and communities.

The class graduating out of Edmonton consisted of officers from various police agencies including the RCMP from Alberta, British Columbia, Saskatchewan, and the Northwest Territories, and the Edmonton Police Service, Alexis First Nation Police Service, and Lesser Slave Lake Regional

Police Service.

The CRP is the framework for the Government of Canada's rural development strategy and provides funding for pilot projects developed by rural associations, organizations and residents to test innovative ideas through partnerships with federal government departments.

Other partners in the DARE program include the Alberta Ministry of Education, local school boards in Alberta, the Alberta Energy Corporation, Renaissance Oil and local Rotary and Lions Clubs.

WTO conference

(continued from page 1)

University network on agri-food trade policy to be created

A new partnership between Agriculture and Agri-Food Canada and three Canadian universities will go a long way towards contributing to the growing domestic discussion on international agri-food trade policy and expand the body of research being done in this important field.

The University of Guelph, the University of Saskatchewan and Laval University will receive \$750,000 in funding – \$400,000 from the Canadian Adaptation and Rural Development (CARD) fund and \$350,000 from the Agri-Food Trade 2000 program – to establish the Canadian Agri-Food Trade Research Network (CATRN).

The newly formed network will help strengthen the agri-food trade academic programs of the participating universities, with the hope of attracting a greater number of stu-

dents to the field of agricultural trade, therefore helping ensure the long-term strength of Canada's agri-culture and agri-food sector. It will also contribute to the national discussion on emerging trade policy issues through economic analysis of key trade developments affecting the sector. The initial focus of the CATRN will be on issues of immediate importance leading up to the next round of World Trade Organization agriculture talks.

The CARD fund was created to encourage growth, adaptation and development in Canada's agri-food industry. Agri-Food Trade 2000 was created in 1996 as a cost-shared contribution program designed to help the Canadian agri-food industry increase sales of agriculture, food, and beverage products in domestic and foreign markets.

Canada's agriculture and agri-food sector has a world-class reputation, which is demonstrated by the fact its agri-food exports have topped \$20 billion in each of the past three years. The sector is moving toward the industry goal of increasing its share of global agriculture trade from three to four per cent by the year 2005.

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Federal Framework for Action in Rural Canada announced

The Government of Canada, on May 14, reinforced its commitment to rural Canadians with the announcement of the Federal Framework for Action in Rural Canada, \$3 million in funding for a second round of pilot projects under the Canadian Rural Partnership (CRP), and a national rural conference, to be held April 28-30 next year in Quebec.

The core of the federal framework is its vision of a rural Canada made up of vibrant communities and a sustainable resource base which contribute to Canada's national identity and prosperity. The need for a policy framework was one of the key concerns raised by close to 7,000 Canadians from rural and remote communities who participat-

ed in the Rural Dialogue in 1998. Participants completed workbooks, joined an electronic discussion group and took part in regional workshops and a National Rural Workshop. Through their submissions and discussions, the new framework, with 11 priorities, was developed.

The CRP is the Government of Canada's rural development strategy. Now in its second year, the program's key elements include the Rural Dialogue and the Pilot Projects Initiative. The CRP Pilot Projects Initiative works through partnerships with rural associations, organizations and residents to test new and innovative ideas for creative, community-based initiatives that promote self-sufficiency.

Farmers receiving AIDA cheques

The first Agricultural Income Disaster Assistance (AIDA) program cheques started being delivered to farmers on April 30.

AIDA administrators also continue to meet with groups of farmers to explain the details of the program on request. Information and training sessions for producer organizations and accountants are ongoing and can be arranged by calling the AIDA administration.

As of June 14, 40,909 calls had been received on the AIDA toll-free line with an average of 561 calls per day from farmers wanting to ensure their applications are filled out properly. A total of 84 AIDA training sessions have been held in Manitoba and Saskatchewan, involving approximately 3,000 participants, with more to come. Farmers are encouraged to

call the toll-free line if they have any questions, or to receive an AIDA application form. The number is 1-888-343-1064. Applications and information can also be obtained on the AIDA web site at <http://www.agr.ca/aida>.

AIDA is a federal-provincial program designed to help farmers and their families cope with severe drops in income. The federal government is committing up to \$900 million over two years and under the 60-40 cost-sharing principle, provincial contributions could add up to \$600 million.

The AIDA program has been designed to be consistent with Canada's international trade agreements. AIDA funds are in addition to the existing federal-provincial safety net agreements, which provide \$1 billion yearly to Canada's farmers.

AAFC studies the sector's Y2K readiness

Earlier this year, Agriculture and Agri-Food Canada began an assessment of the agri-food sector's readiness for the Year 2000.

In the first phase of the assessment, AAFC officials contacted 74 industry associations in an effort to develop a general overview of readiness and potential vulnerabilities. Results indicated Year 2000 awareness was high, with readiness being highest in large primary and processing establishments.

The Department then contracted the Gartner Group, internationally renowned for its Y2K expertise, to identify and determine readiness and risk through a more detailed assessment of the sector. The study found that most businesses had addressed the important issues of their own internal information processing technologies and their relationships with business partners.

However, although most companies were in the "repair and testing" phase, in addition to doing more about "embedded systems," the report concluded that more could be done in the areas of contingency planning — identifying alternative actions a company could carry out in the case of a failure in power/water supply, banking services, etc., to ensure business continuity.

AAFC is now working with the Food and Consumer Products Manufacturers of Canada, the Canadian Federation of Agriculture and the Canadian Council of Grocery Distributors in the development and administration of a more detailed survey of the sector. The information obtained through these studies will be used to provide accurate and credible information to Canadians about the actual readiness of the food supply chain.

Safety first: biotechnology and regulation

by Lyle Vancief, Minister of Agriculture and Agri-Food

The road to the future for Canada's agriculture industry is paved with new ideas and creative thinking, with progress spurred on by the desire to go where no one has ever gone. The trip down this road is exciting, but the possibility of bumps and curves on untrav-elled territory can raise apprehension and sometimes anxiety.

Canada's biotechnology industry is a long-time traveller on this road, but its newest engine, the ability to genetically enhance food, has some people worried it will exceed a safe speed.

To ensure that doesn't happen, the Government of Canada has put in place a regulatory system – a governor, if you will – to make sure biotechnology fol-lows all the safety rules.

Biotechnology can be a confusing term. Simply put, it refers to the use of biology as a tool to create new prod-ucts. This has been going on for years with everything from using enzymes to make cheese, to carefully breeding plants to make them healthier and bet-ter. Now, biotechnology is moving beyond its traditional roots to what is sometimes called genetic enhancement. With today's technology, scientists can

actually transfer the genetic material from one living thing to enhance the characteristics of another. This process of genetic engineering offers tremen-dous new possibilities for the agricul-ture and agri-food industry.

Already, genetic engineering has created potato and canola crops that are resistant to pests and herbicides. This has dramatically reduced the need for chemical spraying while increasing yield and quality.

An exciting new development in this field is called molecular farming. It has also been called a marriage between agriculture and health care. It uses biotechnology to stimulate crop plants to produce pharmaceutical sub-stances, such as proteins and enzymes, which can be used to treat and prevent human and animal diseases.

As important as any of these devel-opments may be, however, the bottom line is not moveable: no matter what the potential benefits of any new prod-uct, it will not be approved for produc-tion unless it is safe.

Before a new crop is approved for production or confined field trials, including one that has been derived through biotechnology, it must pass through a series of tests designed to protect the health of humans, animals

and the environment.

When developers wish to market a plant, they must provide all of the information required to carry out an environmental safety assessment. The applicant must provide detailed infor-mation about the new characteristics, the method used to introduce the new trait to the plant, and the effects and impacts resulting from the release of the plant.

For a plant with new characteristics to be approved, scientists must consid-er its potential to become a weed of agriculture or to be invasive of natural habitats, the potential for gene-flow to wild relatives, the potential for the plant to become a plant pest, the poten-tial impact of the plant or its gene products on non-target species (includ-ing humans), and the potential impact on biodiversity.

A similar and equally rigorous sys-tem of assessment and approval exists for any food products derived from biotechnology. Health Canada evalu-ates applications based on principles developed by scientists around the world through international agencies such as the World Health Organization and the Food and Agriculture Organization of the United Nations.

CARD funding announced for Newfoundland and Labrador

A \$1-million Canadian Adaptation and Rural Development Fund alloca-tion was announced on May 20 for Newfoundland and Labrador's adapta-tion council.

The funds will be added to an existing \$1.5-million allocation already delivered to the province's adaptation council and completes the commitment to Newfoundland and Labrador under the 1995-1999 CARD program.

The funding will be administered by Agri-Adapt Council Inc., formerly known as Newfoundland Grain

Elevators Inc., the group responsible for the administration of the province's share of the CARD fund.

The new funds are expected to allow the agricultural industry in Newfoundland to consider major adaptation priorities, such as public grain storage facilities, that could reduce the direct costs to producers by lowering current transportation costs faced by the industry.

Created in the 1995 federal bud-get, the CARD fund is a \$60-million-per-year Government of Canada ini-tiative designed to encourage growth,

development and adaptation in Canada's agri-food industry. On March 29, 1999, Minister Vancief announced the renewal of the CARD fund well into the new millennium.

CARD is just one of the programs the Government of Canada is using to ensure that Canada's rural communi-ties continue to thrive and prosper.

Industry-led adaptation councils like Agri-Adapt Council Inc. have been established in each province and territory to administer the CARD funds in accordance with industry's adaptation priorities.

agrivision

Promoting security, jobs and growth in agriculture and agri-food

Details of national farm disaster program released

The Government of Canada and participating provinces have put the pieces in place for the delivery of a national farm income disaster program. With full provincial participation, up to \$1.5 billion could be available over two years.

The announcement came at a two-day federal-provincial agriculture ministers meeting on February 24-25. Nine provinces agreed in principle to participate in the Agricultural Income Disaster Assistance (AIDA) program, subject to provincial approval where necessary. Nova Scotia was not able to make a commitment at the time, but continues to work with the federal government toward participation.

The federal government is committing up to \$900 million over two years. Under the 60:40 cost-sharing principle, the provincial contribution could add up to \$600 million.

Since AIDA is a demand-driven program, the ultimate expenditures will depend on the extent of income problems over 1998 and 1999. The program



Minister Lyle Vancief (middle), along with Secretary of State Gilbert Normand (left) and Quebec Minister of Agriculture, Fisheries and Food Rémy Trudel (right), announces details of the Agricultural Income Disaster Assistance (AIDA) program on February 24.

has been designed to be consistent with Canada's international trade agree-

ments. AIDA funds are in addition to the existing federal-provincial safety net agreements.

The program will take into account the Government of Canada's goal of treating all farmers fairly by ensuring that the federal share of the program is delivered under the same rules across the country. Current, similar provincial programs will guide delivery of the provincial share.

The AIDA program will assist family farm operations that have experienced drastic income declines due to circumstances beyond their control.

The assistance program has been designed to be as inclusive as possible and will be open to all farmers in all commodities in all regions of Canada. In addition, the program will offer assistance to new or beginning farmers who will be eligible to apply despite (see *Disaster Assistance* on page 2)

Agricultural trade on target despite financial turmoil

Preliminary year-end agriculture trade statistics for 1998 indicate that agriculture and agri-food exports remain close to the record levels set in 1997. The statistics, released February 19 by Statistics Canada, also indicate the Canadian agri-food industry is achieving its goal of increasing the proportion of exports made up by processed, consumer-ready products.

The preliminary 1998 figure for agriculture and agri-food exports is \$20.92 billion. The preliminary figure for exports at this time last year was \$20.91 billion. The figures are encouraging, considering the serious economic problems that disrupted

global markets last year, especially in Asia and Latin America.

According to the newly released statistics, Canada recorded a total of \$10.6 billion in value-added exports and a total of \$10.3 billion in primary, services and other agricultural exports in 1998.

The Canadian Agri-Food Marketing Council (CAMC), an advisory Committee to the federal ministers of Agriculture and International Trade, is encouraged by the statistics, which it interprets as showing that the industry is on track to achieve its export targets for 2005. The Canadian food and beverage sector has an

ambitious goal of increasing the proportion of processed and consumer ready exports to 60 per cent by 2005. The 1998 preliminary figures suggest industry is making progress toward that goal, especially with increased exports of processed products to Canada's major trading partner, the United States. Overall agriculture and agri-food exports to the U.S. were up by 12.1 per cent over 1997 to \$12.8 billion in 1998.

Increasing exports, especially of value-added, processed products, is expected to help create and keep agriculture and agri-food processing jobs in Canada.

Visiting scientists, environmental sustainability part of new projects

Nine new projects aimed at aiding the efforts of Newfoundland farmers to become more environmentally sustainable and competitive are to receive more than \$118,000 in funding under Agriculture and Agri-Food Canada's National Soil and Water Conservation Program.

Funding for the projects, which include pesticide training courses, farm groundwater and manure testing and the distribution of a weed identification kit, was approved by the National Soil and Water Conservation Program Committee under Newfoundland Grain Elevators Inc., a not-for-profit organization that administers Government of Canada funds to help the Newfoundland agriculture sector adapt to a changing global economy.

One of the projects involves two scientists from the Macaulay Land

Use Research Institute in Aberdeen, Scotland, who plan to visit Newfoundland in the spring to compare the soil and water issues faced by the provincial agriculture sector to the challenges faced by farmers in their own country, which is geographically similar.

The visit could see scientists at Agriculture and Agri-Food Canada's Atlantic Cool Climate Crop Research Centre in St. John's collaborating with the Scottish research institute on soil and water projects that help the farm sectors in both countries.

Other projects include consultation sessions with the farm community to develop environmental guidelines for the agricultural industry.

The NSWCP is funded under the Government of Canada's Canadian Adaptation and Rural Development (CARD) Fund.

Food service industry program launched

The Government of Canada has announced funding for a program that will help the food service industry save time and money by eliminating inefficiencies and wasteful practices.

The \$65,000 in funding will be used to support the Canadian Efficient Foodservice Response (EFR) program. The goal of the program is to develop a supply chain where manufacturers, distributors and operators work together to maximize responsiveness and minimize costs, with the supply chain being supported by a timely, accurate and paperless information flow.

The initiative is expected to benefit the consumer as cost savings would be passed on through the supply chain. It is hoped that the EFR

will develop into the new operating standard for the industry.

The initiative is a collaborative effort sponsored by four major national industry associations including the Canadian Council of Grocery Distributors, Canadian Food Brokers Association, Electronic Commerce Council of Canada and Food and Consumer Products Manufacturers of Canada.

Funding was allocated under Agriculture and Agri-Food Canada's Agri-Food Trade (AFT) 2000 program. Created in 1996, AFT 2000 is a cost-shared contribution program designed to help the Canadian agri-food industry increase sales of agriculture, food, and beverage products in domestic and foreign markets.

Disaster Assistance

(continued from page 1)

the fact that they may not have all the historical information needed for the program calculations.

The program will use an individual producer's revenues and expense information from tax returns and will complement existing national safety net programs. The applicant's gross margin -- the allowable revenues from all commodities minus allowable expenses -- will be compared with the average from the three previous years to determine the amount of assistance available under AIDA. Payment to an eligible applicant will be calculated as the amount the applicant's gross margin for the year falls below 70 per cent.

Provinces already having a similar program in place will process applications according to federally and provincially agreed-upon guidelines.

Ministers also discussed a long-term federal-provincial safety net strategy. They continued their dialogue on options for the long-term renewal of the safety nets package, including detailed analyses of existing safety net programs, and further development of models for allocating safety net funding.

Further information can be obtained at 1-888-343-1064 (toll-free) or on the AIDA web-site at www.agr.ca/aida.

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Five new projects announced under the Canadian Rural Partnership

Five pilot projects aimed at strengthening rural communities in Canada have received funding under the Government of Canada's Canadian Rural Partnership (CRP). The projects, two in Ontario and three with a national focus, will receive a total of \$340,000 in financial assistance from the CRP.

One of the projects will see the development of the Community Health Measure - a joint project between the Canadian Federation of Agriculture and the Federation of Canadian Municipalities. The project will draw upon a Quality of Life monitoring system that is already in place in 16 urban communities across Canada and adapt one indicator - the Community Health Measure (availability of and accessibility to health care) - to the needs of small and rural communities. The main federal partner in this project is Health Canada.

Other projects will include the establishment of a cooperation and

information exchange network, a business retention and expansion pilot project, a leadership development program for rural youth, and an assessment of government funding on voluntary associations in rural Canada.

The five projects are examples of how the federal government is working with rural Canadians to test new ideas. By bringing together federal departments and other partners, the Canadian Rural Partnership is working towards improving the quality of life of Canadians living in rural and remote areas.

The \$20-million Canadian Rural Partnership is the framework for the Government of Canada's rural development strategy. The pilot projects initiative works through partnerships that support rural Canadians as they pursue creative, community-based responses to promote self-sufficiency.

So far, a total of 68 Canadian Rural Partnership pilot projects have been approved across Canada.

Environmental projects, value-added activity get funding under CARD

Projects in Saskatchewan dealing with environmental resource management and value-added agricultural development are now eligible to apply for a share of \$2 million in funding from the Canadian Adaptation and Rural Development (CARD) Fund.

Funding for the two types of projects comes from Saskatchewan's \$8.8 million share of the Government of Canada's CARD Fund. Federal funding from CARD is also available to support other program areas, including infrastructure development, applied research, business development activities, and pilot projects in rural Saskatchewan.

By supporting environmental projects and the expansion of value-added activity, CARD funds are expected to do even more to foster sustainable growth, employment and competitiveness in Saskatchewan.

Announced in March 1997, the CARD fund in Saskatchewan supports the province's adaptation, diversification and rural development needs. Delivery of CARD funds in Saskatchewan is managed by the Prairie Farm Rehabilitation Administration (PFRA), a branch of Agriculture and Agri-Food Canada.

Anyone interested in applying can contact the CARDS Secretariat at 1-800-641-8256, or (306) 975-6848.

Projects aim to improve the quality of life in rural Quebec

Federal funding for 11 new pilot projects which focus on improving the quality of life in rural Quebec has been approved. Funding for the projects comes from the federal government's Canadian Rural Partnership (CRP).

Projects to be funded include helping the Algonquin First Nations Regional Forestry Authority set up an association to better manage their forestry resources while maintaining their traditional values; developing a model for community-based health care co-operatives in rural areas; helping community agencies in the municipalities of Longueuil, Saint-Hubert, Boucherville, Chambly and Châteauguay explore and develop new solutions to food security problems; and helping establish a cooperative education program that allows rural residents to pursue post-secondary education without leaving their respective communities.

The \$20-million CRP is aimed at strengthening rural communities and helping rural citizens take advantage of new economic development and employment opportunities. The CRP was announced in the 1998 federal budget as the basis for the Government of Canada's overall rural development strategy. It provides funding toward pilot projects developed by rural associations, organizations and residents to test new ideas with technical assistance, advice and funding from government departments.

Budget '99 announced

New health care spending topped the list of announcements in federal Finance Minister Paul Martin's February 16 budget. Over the next five years, the provinces and territories will receive an additional \$11.5 billion in transfers through the Canada Health and Social Transfer (CHST). The federal government will also invest \$50 million over three years for rural healthcare and \$65 million for food health and safety.

Elements of interest to the agriculture sector and rural communities included: \$55 million over three years to biotechnology (one third targeted to agriculture); \$50 million to help flood-proof villages and individual farm sites in the Red River Valley (to

be administered through the Prairie Farm Rehabilitation Administration); \$60 million over three years for geographic positioning, and improvements to rural telecommunications. The budget also confirmed previously announced funding of up to \$900 million for farm income assistance.

"Since taking office, the Finance Minister has certainly wisely set a sometimes challenging but always prudent and effective course to put Canadians back on the road to fiscal health. Today we are again harvesting what has been sown and nurtured over the past five years," stated Minister of Agriculture and Agri-Food Lyle Vanclicief in response to the budget announcement.

CARD funding aims to increase competitiveness of sector

Agri-Futures Nova Scotia, an industry-led association administering Government of Canada funds to help Nova Scotia's agriculture and agri-food sector adapt, has approved more than \$400,000 in funding for 26 projects. The projects aim to help the sector become more competitive and make its practices more environmentally sustainable.

Funded by Agriculture and Agri-Food Canada's Canadian Adaptation and Rural Development (CARD) Fund, Agri-Futures Nova Scotia has committed funding for project proposals calling for innovation in agricultural technology, niche crops and marketing, which will potentially provide long-term benefits to the agriculture and agri-food community.

The projects include a study on greenhouse design; an evaluation of adapted farm machinery for soybean production in Cape Breton; a marketing training program for members

of the Venison Producers Association; the testing and evaluation of a propane flame weeder for apple orchards and the development of a province-wide food quality program. A number of the projects are collaborative efforts by primary sector producers and processors, academic institutions, AAFC and provincial agriculture departments.

The \$60 million a year CARD fund is designed to foster growth and competitiveness, strategic alliances and partnerships, and facilitate positive responses to change.

Roughly 60 per cent of CARD funding to date has been allocated to 23 national initiatives benefiting producers, processors and rural Canadians in all provinces. Initiatives have included the Canadian Farm Business Management Program, the Canadian Agricultural Safety Program, the National Soil and Water Conservation Program and the Rural Partnership Initiative, among others.

"Access USA" targets increased Canada-U.S. trade

Export-ready Canadian food service companies had a chance to meet U.S. buyers at an Agri-Food Trade Service initiative called "Access USA", held in Toronto on February 12 at the Canadian Food & Beverage Show.

The event brought more than a dozen American food service buyers and Canadian commercial officers from Buffalo, Chicago, Detroit and New York together with Canadian food service companies for seminars and one-on-one meetings to develop business and export opportunities.

Minister of Agriculture and Agri-Food Lyle Vanclicief hosted a welcoming reception during the initiative for U.S. buyers and visiting missions from Japan, Mexico and New Zealand.

The initiative was aimed at fostering increased trade with the United States, which is Canada's major trading partner. According to preliminary year-end agriculture trade statistics for 1998 released February by Statistics Canada, overall agri-food exports to the U.S. increased by 12.1 per cent over 1997 to \$12.8 billion.

"Access USA" was organized by the Market and Industry Services Branch -- Ontario Region, in partnership with the Ontario Ministry of Agriculture, Food and Rural Affairs, Foodservice and Hospitality Magazine, the Canadian Restaurant and Foodservice Association and the Canadian Food Exporters' Association.



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Promoting security, jobs and growth in agriculture and agri-food



Minister of Agriculture and Agri-Food Lyle Vanclief tours the Yoshihara canola processing plant in Kobe during his five-day trade mission to Japan March 8-13. The plant purchased 220,000 tons of Canadian canola seed last year.

Vanclief confident trade with Japan will grow despite stormy economy

Agriculture and Agri-Food Minister Lyle Vanclief expressed confidence during a recent trade mission to Japan that Canadian trade with Japan will grow, despite the current downturn in that country's economy.

Mr. Vanclief spent five days in Japan's Kansai Region and Tokyo, meeting with Agriculture, Forestry and Fisheries Minister Shoichi Nakagawa and Vice Minister of Health and Welfare Takumi Nemoto, as well as buyers of Canadian agriculture and food products. He also met with representatives of Japanese sub-

sidiaries of Canadian food companies, toured Canadian exhibits at Foodex '99, the largest food trade fair in Asia, and spoke to the Canadian Chamber of Commerce in Japan.

"Even as Japan continues to experience financial difficulties, there is strong demand for reliable supplies of quality raw and processed agriculture and food products," Mr. Vanclief said. "Japanese buyers and government officials alike recognize that Canadian suppliers provide quality products that are safe and well-suited to the tastes of the Japanese consumer."

Japan is Canada's second-largest market for agriculture and food products after the United States. While canola, bulk grains and pork represent the largest share of exports to Japan, exports of processed foods continue to grow. Preliminary trade figures show Canada exported \$1.74 billion in agriculture and food products to Japan in 1998.

Japan is the largest net importer of food in the world, and Canada is its fourth largest supplier after the United States, China and Australia.

Competition for the Japanese market is strong among the world's food exporting nations, noted Mr. Vanclief, adding it is important to continually reinforce Canada's reputation as a world leader in food safety and as a reliable supplier.

In a meeting with Minister Nakagawa, Mr. Vanclief underlined the strong trading relationship between the two countries, but pressed for speedy resolution on market access for greenhouse tomato varieties and dairy genetics from Canada. The two ministers also discussed the benefits of biotechnology in protecting the environment and in increasing food production, while recognizing the need for more consumer education.

In terms of the upcoming round of World Trade Organization (WTO) negotiations on agriculture, Mr. Vanclief reiterated Canada's goal of further progress toward a more open, fair and rules-based trading system. The two ministers agreed to continue their discussions when the Quint group of agriculture ministers meets
(see *Trade mission* on page 2)

Canadian biotechnology industry gets boost from new pilot plant

The Canadian biotechnology industry has received a helping hand with the opening of a new fermentation pilot plant at the Saskatchewan Research Council (SRC), located at Innovation Place in Saskatoon.

Constructed with the assistance of a \$3.4-million grant from the Canada-Saskatchewan Agri-Food Innovation Fund (AFIF), the 400-square-metre fermentation plant will support the growth of the biotechnology industry by helping firms bring their products to the commercialization stage more quickly. About 30 per cent of Canada's biotechnology firms are located in Saskatoon.

The facility also received \$300,000 from the Strategic Initiatives Fund of the Saskatchewan Department of Economic and Co-operative Development for first-year start-up costs. The SRC contribution

to the project to date is \$1.1 million.

Farmers in Saskatchewan are expected to benefit as the development of new biological products for agricultural use will result in higher yields and improved crop quality.

The plant has a staff of three scientists and five technologists and will grow with demand.

The SRC fermentation pilot plant is among more than 200 projects AFIF has supported since being created in 1995. The fund was established to promote and support emerging primary production and value-added processing activities in Saskatchewan. The \$91-million fund receives two-thirds of its funds from the Government of Canada and is one of the ways the federal government is helping Canada's rural communities adapt and compete in the increasingly global marketplace.

Project aims to reduce crop damage by greater snow geese

The federal government has announced that it will contribute \$50,000 to a two-part pilot project aimed at reducing crop damage by greater snow geese in affected agricultural areas of Quebec. The initiative, to take place during the spring of 1999, will consist of crop damage prevention activities, such as scaring, as well as an evaluation of these activities to determine their effectiveness.

Agriculture and Agri-Food Canada will work with the Quebec Department of Agriculture, Fisheries and Food, the Régie de l'assurance agricole du Québec, Quebec Wildlife and Parks, the Union des producteurs agricoles (UPA) and Environment Canada's Canadian Wildlife Service to implement the project in the agricultural regions of the St. Lawrence valley that are affected by greater snow geese during their spring migration.

The pilot project will be carried out in close cooperation with regional UPA federations. If the results are conclusive, the same approach could be adopted in other parts of the country that are experiencing similar problems with greater snow geese.

In addition to Agriculture and Agri-Food Canada, the Canadian Federation of Agriculture, and Wildlife Habitat Canada are also taking part in this initiative by proposing parallel preventive measures. The two organizations produced a report entitled *Proposal for a National Agricultural Stewardship Program: A Wildlife Damage Prevention and Compensation Program for Farmers*, which was presented at the meeting of federal, provincial and territorial agriculture ministers in July. The proposal was supported by all agriculture ministers at the meeting.

Trade mission

(continued from page 1)

in Vancouver in June.

The WTO negotiations, along with farm income security, also figured prominently in a meeting with the Central Union of Agricultural Cooperatives, which represents four million Japanese producers.

In a meeting with the Japanese Oilseeds Processors' Association, discussions related to Canada's ability to supply the Japanese market as well as upcoming WTO talks. Japan is Canada's largest market for oilseeds, with sales reaching an estimated \$773 million in 1998.

Minister Vancielief also visited Foodex '99 during the trip, where he toured the Canadian exhibit pavilion and joined exhibitors in hosting a reception for buyers.

During his speech to the Canadian Chamber of Commerce in Japan, Minister Vancielief talked about the 1998 KPMG investment study results. The international study, which analyzed business operating and startup costs among Japan, countries in North America, and Europe, ranked Canada first in the comparison of international business costs.

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under *Newsworthy*.

Report points to ways of reducing agriculture's impact on the environment

A new report released by Agriculture and Agri-Food Canada suggests farming techniques that can help minimize the agriculture's impact on the environment.

The report, entitled *Health of our Air: Toward Sustainable Agriculture in Canada*, is the culmination of six years of research by Agriculture and Agri-Food Canada scientists in locations across the country.

Research detailed in the report indicates that improving animal nutrition and using fertilizer more efficiently are economically viable and effective ways to reduce greenhouse gas emissions. Conservation tillage is another viable farming technique that is identified, as it helps the soil maintain favorable levels of carbon.

According to the report, 10 per

cent of Canada's total emissions of greenhouse gases come from the agriculture sector. These emissions include methane and nitrous oxide gases, which are emitted through live-

According to the report, 10 per cent of Canada's total emissions of greenhouse gases come from the agriculture sector.

stock production and fertilizer application.

The research detailed in the study, much of which was carried out in cooperation with various universities and other government departments, offers economical, practical and effective methods for farmers to help cut

down emissions of these gases.

Promoting action to combat climate change is a priority for the Government of Canada.

An Agriculture and Agri-Food Table on Climate Change is currently consulting with the industry on climate change issues to develop plans for action.

Following a United Nation's conference on climate change in Kyoto in 1997, Canada committed to reducing greenhouse gas emissions by six per cent by 2012. The *Health of our Air* report is part of the Government of Canada's overall strategy for reaching this goal.

The *Health of our Air* joins the already completed *Health of our Soils* report and the forthcoming *Health of our Water* report.

Links between agriculture and health to be examined

The St. Boniface General Hospital Research Centre has received \$3 million from the Canada/Manitoba Agri-Food Research and Development Initiative (ARDI) to establish a National Centre for Agri-Food Research in Medicine. The centre will investigate the linkages between agricultural products and health.

The national research centre will undertake basic and clinical research in agricultural and/or food products that are either grown or have the potential to be grown in Manitoba. In addition to health benefits that may be derived from this research, the project is also expected to open many avenues for economic development in Manitoba's agri-food sector.

The project represents a unique opportunity to pioneer research into other commodity areas which could result in new advances in the treatment or prevention of many diseases,

including those that strike the elderly, such as stroke, diabetes and Alzheimer's. Research has been the key to past agricultural successes in Manitoba, such as the development of canola, an oil low in saturated fat.

The new national research centre

Approximately 25 per cent of all modern pharmaceutical products have their origins in plants.

will look at the potential health benefits of a number of agricultural products such as wheat, buckwheat and flax (for example, the link between Alpha Linolenic acid in flax and the potential decreased risk of cardiovascular diseases).

The centre will build specialized laboratories in a state-of-the art facil-

ity to accommodate the project centre. New scientists will be recruited to work on the project along with scientists currently working at the research facility.

Approximately 25 per cent of all modern pharmaceutical products have their origins in plants. Examples include aspirin, derived from white willow bark, heart medicine digitalis, derived from foxglove, and the cancer drug Taxol derived from the Pacific yew tree.

ARDI was established in 1997 to promote and invest in innovative research and development projects that will enhance value-added production, diversification and new technologies in Manitoba's agriculture and agri-food industry. It is funded jointly by Agriculture and Agri-Food Canada and Manitoba Agriculture and is administered by the Manitoba Association of Agricultural Societies.

CARD program funding to continue into the next millennium

The Government of Canada has reaffirmed its commitment to the Canadian Adaptation and Rural Development (CARD) fund and has provided a framework for how the program will build on its past history of success over the next four years.

The \$60-million-a-year CARD fund now focuses on six adaptation policy priorities: research/innovation; human resources; environmental sustainability; food safety and quality; marketing; and rural development. The six adaptation policy priorities were identified during extensive consultations on the CARD program with the farm and food sectors last year.

Funding for the environment will double under the new program. Funding for research/innovation and for food safety will increase substantially as well.

"Since its creation in 1995, the CARD fund has been an extremely

important component in the Government of Canada's approach to agriculture and agri-food," said Minister of Agriculture and Agri-Food Lyle Vanclief. "CARD has invested more than \$240 million to promote jobs and a strong economy in rural Canada and help the industry adapt and grow in the face of challenges posed by a rapidly changing world economy. The future holds new opportunities, and the program has shifted its funding priorities to reflect this."

As with the previous CARD program, \$35 million a year will go to national programs and \$25 million a year will be allotted to regional CARD councils.

Industry-led councils in each of the provinces and territories will manage the \$100 million in regional funding for adaptation projects over the next four years, as they did under the previous CARD program. Funding

will be allocated among the councils according to a formula that reflects the size and value of the sector in each province.

"CARD has been an extremely popular program with industry in the past and I'm very pleased that it will continue into the new millennium," said Mr. Vanclief.

Backgrounders on the new national programs, the new regional allocation formula (including the funding allocated to each industry-led council) and past successes are available at: www.agr.ca/cb/news/n90329ac.html.

Government to appeal WTO panel ruling

Agriculture and Agri-Food Minister Lyle Vanclief and International Trade Minister Sergio Marchi announced on March 25 that Canada intends to appeal the World Trade Organization (WTO) report that suggests Canada's dairy pricing system could be considered an export subsidy and recommends changes to how Canada administers the Tariff Rate Quota (TRQ) for fluid milk.

"The Government of Canada shares the industry's serious concerns about the panel report," said Mr. Vanclief. "The sector adopted its classified pricing system in 1996 to comply with the new WTO rules, and we do not think it should be considered an export subsidy. We stand with our industry on this."

Under WTO rules, it will probably be late May before Canada can officially announce any formal appeal of the report.

Canadian dairy farmers price their milk according to its end use through a classified pricing system. The U.S. and New Zealand argued that parts of the classified pricing system constitute an export subsidy. Canada argues that they are not an export subsidy.

The panel report also recommends changes in the administration of Canada's TRQ for fluid milk. The report did not challenge Canada's right to limit fluid milk imports through a TRQ. However, the panel found that the TRQ should be open to both commercial imports and to cross-border shoppers.

Alberta receives funding for five new pilot projects

Five new pilot projects aimed at improving economic and social opportunities in rural Alberta have been announced under the Government of Canada's Canadian Rural Partnership (CRP) pilot projects initiative. The projects will receive more than \$160,000 in funding under the program.

The projects include: A Geographic Information System for Grande Prairie and Rural Northwestern Alberta; Drug Abuse Resistance Education Training by the RCMP "K" Division, for the training of 120 Drug Abuse Resistance Education police officers who will present the program to 15,000 Grade 6 children during the 1998-99 school year; and Tools for Schools, to promote self-sufficiency and economic independence of youth in the Tawatinaw Region of Alberta.

The \$20-million CRP is the framework for the Government of Canada's rural development strategy.

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Ottawa, provinces nailing down details on aid package

By Lyle Vanclief, Minister of
Agriculture and Agri-Food

I want to assure producers across Canada that federal and provincial officials have been working extremely hard over the past weeks on the details of a national farm income disaster program. We are working on a package of up to \$1.5 billion in aid over two years, to help out those farmers facing a dramatic drop in their incomes brought on by a number of factors beyond their control.

Before I announced in December that the Government of Canada would invest up to \$900 million to help farmers get through this income crisis (provincial participation would boost that to \$1.5 billion), I knew some producers would have to auction off the farm if government assistance was not

forthcoming. Now, with farmers and their bankers aware that relief will be



Minister Lyle Vanclief (center), Secretary of State Gilbert Normand (left), and Parliamentary Secretary Joe McGuire (right) discuss the farm aid package with reporters.

available, the talk has swung from spring auctions to spring planting. However, farmers still are asking seri-

ous questions, such as: who qualifies for help; when will it actually arrive, and what do we do in the meantime?

It's difficult to say precisely who will qualify, since we're still meeting with provincial governments to work out the details. In those talks, we've agreed that nothing is decided until everything is decided. However, I do see a consensus emerging on the overall framework for the assistance. For instance, the help will go only to those most in need. To ensure that is the case, payments will be based on an individual farmer's income from the farm, compared to income from previous years, and will be "whole farm" -- that is, based on income from all commodities the farmer produces. As well, there will be a cap on payments to individual farmers to ensure available funds (see page 2)

Canada and the U.S. agree to foster two-way trade

Canada has secured a commitment from the United States to foster increased two-way bilateral trade in agriculture and agri-food products rather than pursuing trade-disrupting political actions.

The two governments have agreed to a 17-point Action Plan to improve bilateral trade. The agreement will not in any way restrict Canadian agricultural exports to the U.S. and represents a new and more constructive approach to addressing the tensions that have characterized Canada-U.S. farm trade in recent months. The package of measures



Minister Lyle Vanclief greets U.S. Vice President Al Gore en route to the speaker's podium at the American Farm Journal Forum in Washington, where he spoke about the benefits of Canada-U.S. bilateral trade.

is expected to move the two countries away from the recent highly-charged political rhetoric towards bilateral trade that is based on fact and science.

Agriculture and Agri-Food Minister Lyle Vanclief, International Trade Minister Sergio Marchi and Ralph Goodale, Minister responsible for the Canadian Wheat Board, signed the "Record of Understanding" on December 4 with United States Trade Representative Charlene Barshefsky and U.S. Secretary of Agriculture Dan Glickman. (see page 2)

Expanded research capacity a bright spot for Canada's meat industry

An expansion of the meat research facility at Agriculture and Agri-Food Canada's Lacombe Research Centre will provide the Canadian meat industry with a state-of-the-art research facility able to serve them well into the next century.

The \$4.3-million, 1750-sq.-meter addition is expected to create a number of new jobs and provide Canada's meat industry with a valuable tool in its work toward creating the highest quality meat products possible for Canadians.

The expansion will ensure that Canada remains competitive in the export arena and that the country's meat industry continues to provide a safe and wholesome meat supply for Canadians as well as for international customers.

The new space will also allow staff to work under one roof and create a situation where they are better able to serve all sectors of the meat industry more effectively.

The Lacombe Research Centre conducts research from animal production in the field, to the products that appear at retail outlets. Meat quality, safety and preservation are key areas of study.

The centre's meat program, for instance, has developed the current beef, hog and lamb grading standards, as well as systems for shipping fresh meat long distances, and continues to study beef tenderness from the retail case to the molecular level.

Farm aid package (from page 1)

are able to help as many producers as possible.

Another important characteristic of the assistance package is that it will be consistent with Canada's international trade obligations. There's been strong agreement on this point among all governments at the negotiating table and with all of the producer groups we have consulted with.

We are in the process of finalizing these program details with the provinces. By early March, process forms will be made available. Farm income tax returns -- on which the program operation will be based -- will be processed in April-May and I expect the cheques to start flowing shortly thereafter.

The most immediate concern -- like those of hog producers, who are facing their big bills now, rather than at spring seeding -- is how to bridge the gap between now and the arrival of government help. Most provincial governments have responded to this concern by providing flexible operating credit programs until disaster

assistance arrives, and three provinces have their own on-going disaster assistance programs. Ontario recently announced a whole farm relief program.

I also encourage farmers to take advantage of programs in the existing safety net package. Net Income Stabilization Accounts (NISA), for example, will be linked to the new package of aid, and those in need should use the funds available there. Changes were made last year to the NISA program to allow interim withdrawals within 30 days notice. As well, the Government of Canada's interest-free cash advance program is available for crop farmers.

I have talked to senior bankers and the heads of credit unions and the Farm Credit Corporation, emphasizing the need for patience and compassion as a number of producers face a difficult cash crunch.

The help is coming for those who need it most, as fast as we can finalize it, making sure we do it right the first time.

Bilateral trade

(from page 1)

"One of the most significant elements is the agreement by the U.S. to avoid taking any actions such as government-initiated safeguard measures that would limit or disrupt our rapidly-growing \$20-billion two-way agricultural trade," said Mr. Vanclief, who also spoke at the American Farm Journal Forum a few days earlier about the benefits of Canada-U.S. bilateral trade to both countries.

The deal will immediately benefit Canadian feedlot operators, pork processors, food manufacturers and livestock and grain producers.

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<http://www.agr.ca/minoffe.html>, under Newsworthy.

Agrovision est aussi disponible en français.

Projects announced for rural Ontario

Five new pilot projects funded by the federal government will help rural Ontario residents deal with the obstacles, opportunities and challenges of a changing economy.

From mastering advanced applications of the world-wide web, to building better businesses, the five projects are designed to get the ball rolling on new economic development. The projects will receive more than \$330,000 in financial support from the Government of Canada's Canadian Rural Partnership (CRP).

Of the five projects, two are set in southern Ontario. The Southern Ontario Aboriginal Business Service Centre project will help small businesses in Native communities across Southern Ontario gain access to government development programs, while the Haldiman-Norfolk Good Food Box project will provide fresh and affordable produce to residents

living in that area.

In eastern Ontario, the Electronic Tools for Rural Partnerships Project will use Internet applications to help promote business and community partnerships in Lanark County.

Two projects are slated for northern Ontario. The Northern Ontario Web-Networking Program will link 38 northern communities to an Internet-based communications network that will allow information to be shared on subjects ranging from economic development to delivery of services. The Atikokan Fish Co-op will receive funding to develop a toolkit and model business plan for other communities that want to replicate Atikokan's successful co-operative aquaculture business.

The \$20-million CRP is the framework for the Government of Canada's rural development strategy.

Initiative targets agricultural emissions

An innovative project aimed at helping to reduce agricultural carbon dioxide emissions in Canada was recently unveiled.

The project involves a wide cross section of groups, including federal and provincial governments, national energy and utility companies, and conservation and producer groups, and is expected to assist Canada's efforts to meet its Kyoto agreement commitments to reduce greenhouse gas emissions.

The Prairie Soil Carbon Balance Project will provide scientifically acceptable means of measuring and verifying the changes in soil carbon.

The four-year, \$2-million project involves measuring the uptake of carbon at about 200 locations located across the Prairies where farmers have recently adopted more sustainable land management practices such as

continuous cropping and direct seeding. It is being funded with \$800,000 from GEMCo -- an industry consortium -- with a matching \$800,000 from Agriculture and Agri-Food Canada's Matching Investment Initiative (MII) and \$400,000 from Alberta Agriculture Food and Rural Development.

The project will measure how much carbon can be removed from the atmosphere and stored as soil carbon. Some estimates suggest that, with better land management practices, as much as 14 million tonnes of CO₂ or more can be stored every year for the next 20 years.

The project will be carried out through four research studies at AAFC's Swift Current, Lethbridge and Brandon Research Centres and will involve each of the three Prairie Universities and industry stakeholders.

Canada and the European Union reach trade agreement

The government of Canada and the European Community (EC) have concluded an agreement governing trade in live animals, animal products, fish and fish products. The Veterinary Agreement, concluded on December 17, outlines a process for achieving recognition of the equivalency of sanitary measures between Canada and the European Union (EU).

With the agreement, Canadian animals and animal products going to the EU will be inspected by EU authorities less frequently than exports from countries without a Veterinary Agreement. This will make it easier for Canadian animal, agricultural and fishery products to enter the EU, now and in the future, and should result in cost savings for Canadian exporters, without jeopardizing food safety.

The Agreement will also improve communications between Canadian and EU officials on significant animal and human health issues, and will provide a process that will help to resolve trade irritants.

The Agreement covers live animals, animal products, fish and fish products. Trade between Canada and the EU in these sectors was valued at approximately \$800 million in 1997, with \$550 million worth exported from Canada and \$250 million imported into Canada. Canada's exports of fish and fish products accounted for the largest share of exports.

This is the first comprehensive agreement governing inspection of animals and animal products signed by Canada.

Fumigate your computers, the sooner, the better

As the countdown to the year 2000 grows shorter, Minister of Agriculture and Agri-Food Lyle Vanclief has a warning to everyone involved in the agricultural sector: the sooner you ensure that all of your computerized systems are Year 2000 compliant, the better.

According to Mr. Vanclief, although many people --farmers, rural residents, and small business people among them --have already decided to get their computers checked, there are other computerized systems, called "embedded systems", that can be more easily overlooked.

Embedded systems refer to equipment using micro-controllers to control their actions. Some micro-controllers are designed to be aware of the date, switching on and off at specified times, or for maintenance cycles.

Examples of these systems in agriculture include milking systems, barn heating systems as well as irrigation systems.

Because no one operates in isolation in the agri-food industry, it is also important for producers to ensure that their customers and suppliers are also Year 2000 compliant.

In the words of Mr. Vanclief, "The clock is ticking. I urge everyone to start planning for the millennium bug now."

There are several agriculture-related Internet sites available which producers may find useful for preparing for the year 2000.

These include:

Industry Canada's CAN2k at <http://www.can2k.com/>;

the Canadian Federation of Agriculture/ Canadian Farm Business Management Council web site at <http://www.cfbmc.com/y2k/>;

the Ontario Ministry of Agriculture, Food and Rural Affairs web site at: <http://www.gov.on.ca/OMAFRA/english/infores/year2000/>;

and Agriculture and Agri-Food Canada's Y2K web site at: <http://www.agr.ca/policy/y2k/>.

Campaign targets foodborn illness

The Canadian Partnership for Consumer Food Safety Education, a coalition of 48 of Canada's major stakeholders in the food sector, have launched a new, national public awareness campaign on food safety in the home kitchen, called Fight BAC!™.

Fight BAC!™ stands for "fight food-borne bacteria". The campaign seeks to motivate Canadians to fight harmful bacteria by practising critical safety steps when preparing food in their homes.

Microbial foodborne illness, commonly known as food poisoning, is the largest class of emerging infectious diseases in Canada.

Research shows that improper food handling in the home causes a

major proportion of foodborne illnesses. Yet, the Canadian Food Inspection Agency's 1998 study on safe food handling found that consumers are often unaware or misinformed about all they can do to protect themselves from harmful foodborne bacteria.

As part of the campaign, information on food safety will be distributed through public health units, public service announcements on

radio and television, and printed materials and displays in supermarkets, food fairs and trade shows, and schools, among others.

The Partnership's website can be accessed at the following address: <http://www.canfightbac.org>



Check it out

Minister of Agriculture and Agri-Food and Minister Coordinating Rural Affairs Lyle Vanclief's website has a new look.

The new user-friendly site now includes even more information on the latest news and events related to AAFC programs and policies. The site provides producers, industry, media, and rural and urban Canadians access to news releases, speeches, photos, useful links, publications and much more!

You can access the Minister's new website at:

www.agr.ca/minoffe.html



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Agriculture and agri-food industry invited to provide input before WTO talks begin

The process of gathering input from Canada's agriculture and agri-food industry for upcoming multilateral trade negotiations has picked up momentum with a presentation on October 22 to the Standing Committee on Agriculture and Agri-Food's "Take Note" hearings by Agriculture and Agri-Food Minister Lyle Vanclief.

Mr. Vanclief was the first speaker to address the committee and reiterated the Government of Canada's commitment to use the time before the trade negotiations, expected to start in late 1999 and last for three years, to gather input from the nation's agriculture and agri-food industry.

In addition, Mr. Vanclief called on as many industry groups as possible to take the opportunity to meet with him over the coming year to provide their comments on what they feel

should be Canada's priorities in the upcoming negotiations.

"These hearings are an excellent opportunity for all segments of the industry to address the very important

"These hearings are an excellent opportunity for all segments of the industry to address the very important issue of the next WTO negotiations"

issue of the next WTO negotiations," said Mr. Vanclief. "I am confident the bilateral meetings I will hold with key industry representatives, together with industry submissions to the Standing Committee and the industry/ federal/ provincial conference next April will

help to cement a strong, credible and cohesive position which the Government of Canada can take into next year's WTO talks," Mr. Vanclief added.

In addition to bilateral industry meetings, Mr. Vanclief has invited stakeholders to provide their views to him directly by e-mail at <http://www.agr.ca/cb/mail/emailmin.html>, by fax at (613) 759-1081 or through regular mail to the Honourable Lyle Vanclief, Minister of Agriculture and Agri-Food, 9th floor, Sir John Carling Building, Ottawa, Ontario, K1A 0C5.

More than 30 industry organizations are expected to make presentations to the committee during the "Take Note" hearings which are scheduled to last for several weeks.

For more information on WTO, visit <http://aceis.agr.ca/itpd-dpci>.

Farm income situation a top priority

During a farm income conference in Ottawa November 4, Agriculture and Agri-Food Minister Lyle Vanclief and the Minister responsible for the Canadian Wheat Board, Ralph Goodale, together with provincial representatives and industry leaders, agreed to accelerate the process to deal with both short and longer term solutions to the current farm income situation.

"There was a general consensus that we cannot solve this with ad hoc programs," said Mr. Vanclief. "I heard very clearly the desire for a disaster-

type program within our overall safety net system."

Mr. Vanclief said government and industry have agreed to continue working in partnership to try and solve the problem.

During the meeting, farm income forecasts developed collaboratively by federal and provincial governments were presented. On average, national net farm income will be down this year approximately four per cent from the last five-year average, although down 20 per cent from 1997, a near record year. Not all regions or com-

modities are being affected equally; the main problems are being experienced by cattle, hog and grains producers. Manitoba and Saskatchewan are expected to experience the most significant decline.

Mr. Vanclief was joined at the meeting by Minister of Saskatchewan Agriculture and Food Eric Upshall; Manitoba Minister of Agriculture Harry J. Enns; Prince Edward Island Agriculture, Fisheries and Forestry Minister Eric Hammill, and Newfoundland and Labrador Minister of Forest Resources (see page 2)

National Rural Workshop looks at next steps

Agriculture and Agri-Food Minister and Minister Coordinating Rural Affairs Lyle Vanclief hosted a National Rural Workshop in Belleville, Ont., Oct. 2-4, where about 250 Canadians – from rural and remote communities – discussed ideas for government action on rural issues.

Participants identified a variety of issues they want the Government of Canada to address, including: listening more closely to rural Canadians; ensuring they are involved in initiatives aimed at rural Canada; designing programs to be more flexible at the local level; and focusing on sustainable long-term initiatives rather than short-term work programs.

The workshop was one step in the Rural Dialogue, a process that began in April 1998 to gather the thoughts and ideas of Canadians in rural and remote areas that will form the basis for the development of a federal rural policy. Leading up to the workshop, more than 30 meetings were held

across the country, along with the submission of workbooks, in which individual citizens, families and groups responded to questions. In all, close to 7,000 rural Canadians contributed to the resulting summary paper under discussion during the weekend.

Members of the Government of Canada's Interdepartmental Working Group on Rural, and representatives from all 12 provincial and territorial Rural Teams were there to listen to real-life issues faced by rural citizens they serve. Representatives from provincial governments and groups with an interest in rural Canada were also part of the workshop.

"We have been listening closely," Mr. Vanclief told delegates. The ultimate goal, he said, was to work together with other levels of government and with rural communities so rural Canada can be "better places to do business, to live and to raise your families. That's what it's all about."

The Minister said he would com-

municate what he heard over the weekend to his colleagues in Cabinet. Cabinet will then decide on those measures that the federal government will act upon over the next few years, measures that will respond to what Canadians in rural and remote areas are telling us.

Farm Income

(from page 1)

and Agri-Foods, Kevin Aylward. Representatives from all provincial agriculture ministries were present with more than 30 industry representatives of organizations such as the Canadian Federation of Agriculture, Canadian Wheat Board, Saskatchewan Wheat Pool, the Canadian Horticultural Council, the Dairy Farmers of Canada and the Union des producteurs agricoles du Québec in attendance.

"When we work cooperatively -- we see results. As we did not long ago with the blockades in South Dakota, we came together and took a Team Canada approach to bring the blockades down. I say this situation calls for exactly this type of constructive approach to address the farm income situation," Mr. Vanclief said.

The current unsettled situation in the global economy and the fallout from the fluctuations and uncertainties in markets like Asia, Latin America and Russia has translated into less buying power which is affecting farm income in Canada.

Canadian co-ops flourished in '97

Newly compiled statistics show that Canadian co-operatives continued to thrive in 1997, with the 50 largest doing a combined business volume of \$21.6 billion.

This figure is four per cent higher than it was in 1996. Total assets are also up, having jumped seven per cent from 1996 levels to hit \$6.6 billion.

Co-operatives continued to be major job creators with the top 50 employing 37,068 people in 1997, six per cent more than they did in 1996. The Coopérative fédérée de Québec was the largest employer again this year with more than 6,800 employees.

The Saskatchewan Wheat Pool was once again the largest of the top 50 with annual sales of more than \$4.2 billion, up two per cent from 1996.

The top 50 co-operatives list and accompanying data was made public by Minister Lyle Vanclief, who is also the Minister responsible for co-opera-

tives.

"I want to extend my congratulations to all involved with these co-ops for their achievements over the past year," said Mr. Vanclief. "The tremendous success of co-operatives in Canada demonstrates what's possible in this country when people band their resources together and take the future into their own collective hands."

"This type of initiative is an essential factor in economic development, particularly in rural areas. The Government of Canada has made rural economic development a priority and is doing a variety of work in this field under the Canadian Rural Partnership," added Mr. Vanclief.

The list of the top 50 co-operatives does not include financial co-operatives, such as caisses populaires and credit unions. Of the top 50 co-operatives on the 1997 list, 35 are related to agriculture.

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The Canadian Rural Partnership (CRP)

Helping to build strong rural communities

Announced in the 1998 Federal Budget, the \$20-million Canadian Rural Partnership initiative (\$5 million per year for four years) is the framework for the Government of Canada's rural development strategy and provides funding for pilot projects developed by rural associations, organizations and residents to test new and innovative ideas in the form of partnerships with government departments.

Funds to benefit Atlantic Canada by strengthening rural communities

New pilot projects designed to promote economic growth and strengthen rural communities in Atlantic Canada have been announced under the Canadian Rural Partnership.

With the help of close to \$500,000 from the initiative, projects ranging in focus from coastal geo-science to cultural tourism are being undertaken.

"These projects come straight from the grassroots," said Minister of Agriculture and Agri-Food and Minister Coordinating Rural Affairs Lyle Vancilief, "The ideas and energy behind these projects come from

rural Canadians who identified opportunities and got the ball rolling. The road to improvement starts with the kind of growth and development that these projects will instigate."

Of the 12 Atlantic projects, two are slated for Newfoundland, four for Prince Edward Island, five for Nova Scotia and one for New Brunswick. This is the first phase of the CRP funding announcements.

The projects deal with a range of issues related to finding different ways to diversify the economy and generate economic growth in the Atlantic provinces.

Projects to address concerns of B.C.'s rural residents

Five new projects will make a solid start on addressing the concerns, challenges and priorities of British Columbia's rural residents.

Ranging from mussel farming to long-distance learning, the projects are being undertaken with financial support from the Canadian Rural Partnership (CRP). The funding is being matched by the departments sponsoring the projects and by the rural communities where the projects take place.

The aim of these projects, and the Canadian Rural Partnership in general, is to help initiate activity that will strengthen the rural economy and make rural Canada an even better place to live.

The projects are supposed to serve as a starting point toward achieving this goal in British Columbia."

In total, the initiative will contribute \$322,000 to five projects: the Sayward Community Animation Project, the Distance Learning/ Distance Work Project, the B.C. Mussel Farming Techniques Project, the West Coast Fishing Communities Marketing Assistance Project and the Shared Communities Shellfish Project.

Pilot projects announced for Saskatchewan will generate new economic growth

Three new pilot projects funded by the Government of Canada are expected to generate new economic growth in rural Saskatchewan.

The projects, being undertaken with the help of \$300,000 from the government's Canadian Rural Partnership, range in focus from mobile computer labs to business training, and are designed to help individuals and community organizations initiate growth in their local economies.

The Canadian Rural Partnership is designed to help strengthen the rural economy and make rural Canada an even better place to live

The projects for Saskatchewan include the following:

- The Northern Community and Economic Development Information Services project will use information technology to help remote communities capitalize on new economic opportunities;
- The Marieval Youth Enterprise Development Centre project will assist Aboriginal youths interested in starting a business; and
- The Renforcement des collectivit s rurales francophones de la Saskatchewan project will increase access to training programs for rural francophones.

Initiative targets environmental stewardship of Quebec farms

A Agroenvironmental Strategy aimed at increasing the environmental stewardship of Quebec farms has been officially unveiled by *L'Union des producteurs agricoles* (UPA).

Funding for the UPA strategy comes from the Conseil pour le développement de l'agriculture du Québec (CDAQ). The CDAQ is the industry group responsible for management and distribution of Agriculture and Agri-Food Canada's Canadian Adaptation and Rural Development (CARD) fund and National Soil and Water Conservation Program (NSWCP) funds in the province.

The UPA strategy is closely linked to the CDAQ's broader Agroenvironmental Program aimed at continuing to further the adoption of better environmental stewardship

practices and environmental technologies by the farm community in Quebec.

In launching the Strategy, UPA announced that it will undertake a \$2.4 million survey -- \$900,000 of which was provided from CDAQ -- of 20,000 farms in Quebec to develop a comprehensive profile of agroenvironmental issues faced by the sector. The survey is the first step in UPA's agroenvironmental strategy. The survey is also being supported by Quebec's Ministère de l'Agriculture, des Pêcheries et de l'Alimentation, and Quebec's Ministère de l'Environnement et Faune.

CDAQ has dedicated \$16.2 million to its Agroenvironmental Program, including \$2.5 million from its NSWCP allocation and \$13.7 million from CARD.

AFIF provides \$1 million for Saskatchewan Nutraceutical Network

The Saskatchewan Nutraceutical Network (SNN) was launched October 20 with \$1 million from the Canada-Saskatchewan Agri-Food Innovation Fund (AFIF).

The AFIF money will be used by the SNN to help market and promote Saskatchewan-made nutraceutical, functional food and dermatological products, develop a public awareness campaign and maintain an office for four years.

The formation of the SNN is considered especially timely because a dynamic market exists for functional foods and nutraceutical products.

The current world consumption of nutraceuticals and functional foods is estimated to be \$15 billion to \$20 billion annually and according

to projections, this figure will grow to \$500 billion by 2010.

A nutraceutical is a product made from a plant or animal to provide a physical benefit to the consumer. For example, flaxseed oil produced in Saskatchewan is sold internationally as a source of healthy fatty acids to reduce blood cholesterol.

The Canada-Saskatchewan Agri-Food Innovation Fund was established in 1995 to promote and support emerging primary production and value-added processing activities in Saskatchewan. The \$91-million fund receives two-thirds of its funds from the Government of Canada and one-third from the Province of Saskatchewan. All of the money has been fully committed.

Canada officially unveils Action Plan on Food Security

The Canadian Action Plan on Food Security was officially unveiled during World Food Day celebrations by Agriculture and Agri-Food Minister Lyle Vancilief and Claudette Bradshaw, Parliamentary Secretary to the Minister for International Cooperation and Minister responsible for La Francophonie.

At the 1996 World Food Summit in Rome, the international community agreed to reduce by half the 800 million undernourished people of the world by no later than 2015. Canada's Action plan for Food Security, developed in response to the World Food Summit, outlines Canada's commitment to food security at home and abroad. It involves all levels of government in Canada, the private sector, non-governmental organizations, agriculture producer groups and agri-food organizations.

"Far too many people in the world are undernourished, their health impaired, their potential never realized because of their daily struggle for survival," said Mr. Vancilief. "Canada's Action Plan for Food Security is the country's commitment to work toward food security for all."

Canada's Action Plan outlines initiatives at home and abroad to address the many aspects of food security, including ensuring a safe and nutritious food supply for all, finding economically and environmentally sustainable ways to increase food production, and promoting health and education.

A bureau will be established by AAFC to help implement measures outlined in the action plan and to monitor and report on its progress.



agrivision

Promoting security, jobs and growth in agriculture and agri-food

Cairns Group Meeting achieves common vision

"Canada's agriculture and agri-food industry needs a more open, rules-based international trading environment to continue its strong growth."

So remarked Agriculture and Agri-Food Canada Minister Lyle Vanclicf at the close of the Cairns Group annual ministerial meeting on April 3.

"This was an excellent opportunity to discuss how Cairns Group countries can work together to pursue a better-functioning and less distorted agricultural trading system," the Minister said. "Building on the statement presented to us by Cairns Group farm leaders, we have agreed on a common vision that sets out the long-term objectives shared by Cairns Group countries. The next WTO agriculture negotiations in 1999 will provide an opportunity to further those long-term objectives. I look forward to working with my Cairns Group colleagues in 1999 to develop a more detailed approach to those negotiations."

"In the meantime, Canada will continue consulting extensively with domestic stakeholders and the



Third from left: Minister Vanclicf at the 18th Cairns Group Ministerial meeting in Australia

provinces before adopting a negotiating position for the next round of agriculture trade talks that begin at the end of 1999. Canada will continue to work with the other Cairns Group members to ensure that negotiations begin as scheduled, are completed expeditiously, and that there is an ambitious reform agenda on the table," Mr. Vanclicf said.

Industry stakeholders and provinces will have continuing opportunities for input into the development of Canadian agri-food trade policy leading up to the next round of multilateral talks. For instance, Minister Vanclicf asked that the House of Commons Standing Committee on

Agriculture and Agri-Food conduct take-note hearings to ensure that everyone has an opportunity to register their ideas before AAFC finalizes its WTO position.

The Cairns Group is an informal association of 15 agriculture trading nations. It was formed in 1986 to promote agriculture trade liberalization during the Uruguay Round trade negotiations under the General Agreement on Tariffs and Trade.

The Cairns Group is continuing to play a leading role in promoting agriculture trade liberalization as World Trade Organization members prepare for the next round of multilateral talks.

New industry trade target set

Agriculture and Agri-Food Canada Minister Lyle Vanclicief told agri-food business leaders attending a two-day industry symposium that government and all levels of industry must continue to work for trade success.

"Industry will play the key role in achieving the ambitious trade targets proposed by the Canadian Agri-Food Marketing Council (CAMC)," the Minister said. "But the benefits of growth – at home and abroad – must be shared by all in the sector. That places the emphasis in my department's work on partnership, co-operation and consensus-building so that prosperity can be achieved for the entire sector."

During the meeting, the new industry target of capturing four per cent of global agri-food trade by the year 2005 was unveiled.

The symposium was organized by CAMC to give industry leaders an opportunity to participate in the

development of Canadian agri-food trade policy. The Minister assured the business leaders they would have continuing opportunities to review and comment on ways government can help increase agri-food trade.

CAMC will present the recommendations of symposium participants to Mr. Vanclicief and International Trade Minister Sergio Marchi prior to the Federal-Provincial-Territorial Agriculture Ministers' meeting in July.

CAMC was created in 1997 to advise the Ministers of Agriculture and Agri-Food Canada and International Trade on the marketing tools and techniques needed by Canada's agri-food industry to move successfully into the 21st century.

Canadians exported \$21 billion in agri-food products in 1997, up 50 per cent since industry last set a trade target in 1993 when agri-food exports totalled \$13.6 billion.

Funding for environmental sustainability

Saskatchewan, Manitoba, New Brunswick, Nova Scotia and Prince Edward Island will be undertaking projects that support the development, demonstration and transfer of sustainable technologies, systems and practices through funds announced under the National Soil and Water Conservation Program (NSWCP).

The program's purpose is to advance the environmental sustainability of Canada's agriculture and agri-food sector by promoting the long-term stewardship of the agri-cultural resource base.

"The government of Canada recognizes the need for ongoing federal involvement in environmental planning," said Minister of

Agriculture and Agri-Food Canada Lyle Vanclicief in relation to the program. "By continuing to work with our provincial and industry partners, we can help the industry remain both competitive and environmentally sustainable."

The NSWCP, a \$10-million two-year program announced in May 1997, was put in place to support strategies under AAFC's Sustainable Development Strategy - *Agriculture in Harmony with Nature: Strategy for Environmentally Sustainable Agriculture and Agri-Food Development in Canada*. For a free copy of the strategy, in Canada, please call (613) 759-6610.

Food Security priorities defined

The Joint Consultative Committee on Food Security -- a group of government and civil society organizations -- has identified priorities on which to base the Canadian Plan of Action on Food Security.

In November 1996, Canada joined 174 nations in approving the World Food Summit Plan of Action and accepted responsibility to create a Canadian plan of action to work toward the alleviation of world hunger and food insecurity.

The Canadian Plan of Action will emphasize the Right to Food, a monitoring system for food insecurity, the reduction of poverty, fair trade, traditional food acquisition methods of aboriginal and coastal communities, and emphasis on environmentally sustainable practices and food safety, among other priority areas.

"In 1996, the Government of Canada gave its commitment to continue its work toward the elimination of global food insecurity," Minister of Agriculture and Agri-Food Canada Lyle Vanclicief said. "We now have our priorities defined and we are prepared, in continued consultation with our provincial and non-governmental partners, to carry this commitment into the 21st century."

Mr. Vanclicief said the next step will be the fleshing out of the Canadian Action Plan to guide implementation of Canada's commitments to food security. The Plan is expected to be ready for release October 16 to coincide with World Food Day.

Farm Debt Mediation Service aims to help farmers

Two new counseling services to help farmers deal with financial difficulties have been announced by Agriculture and Agri-Food Canada (AAFC) Minister Lyle Vanclief.

The establishment of the Farm Consultation Service was announced the same day that legislation creating the Farm Debt Mediation Service took effect.

"These two new and separate services represent an investment by the Government of Canada in the financial security, growth and prosperity of the country's agriculture and agri-food sector," said Mr. Vanclief. "The Farm Consultation Service has been set up to help Canadian farmers find and treat financial problems before they get out of hand."

The Farm Consultation Service provides confidential financial management counseling

through a pathfinding/referral service to help farmers access information by telephone and on the Internet.

It also ensures a one-on-one financial management counseling service is available to farmers experiencing financial difficulties such as decreased margins, difficulty repaying loans or difficulty paying bills. For a nominal fee, the counseling service provides a qualified counselor to help assess a farmer's financial position and develop a farm operating plan.

"The Farm Debt Mediation Service is a new service for the farm community created to ease communication between clients and creditors," said Mr. Vanclief. "It gives everyone involved in insolvency disputes a timely, confidential and economic alternative to the often costly, public and drawn-out process of resolving

disputes in the courts." The Farm Debt Mediation Service offers farmers facing insolvency an opportunity to rectify their situation. A financial expert will be assigned to conduct a detailed review of financial affairs and to assist in the preparation of a recovery plan for eligible farmers.

The confidential service appoints a mediator to assist the farmer and creditors through a mediation process that will help the parties reach a mutually satisfactory financial arrangement.

"The new services have been put in place following extensive consultations with industry," said Mr. Vanclief. "I believe the services for farm counseling and debt mediation reflect what the industry wants."

Applications for the new services are available from the regional offices of AAFC.

Funds to make hog industry gentler, kinder to the environment

Funding of \$2 million has been announced by Minister of Agriculture and Agri-Food Canada Lyle Vanclief to address the environmental challenges associated with the expanding hog industry.

AAFC will use \$1 million of the funds for research and technology development to find solutions to manure management, building design, feeding efficiency and agronomics of manure application. This will be in addition to the research already undertaken in these areas by AAFC.

An additional \$1 million from AAFC will be set aside to match the hog industry's investments that address hog environmental issues. The Canada Pork Council is com-

mitting \$1 million for this purpose, meaning up to \$3 million in total will be available for future initiatives -- \$2 million from AAFC and \$1 million from the council.

"The hog industry and government are working together to answer the environmental challenges of odour, soil and water degradation, and air pollution because environmentally sound solutions make for good business and good neighbors," said Mr. Vanclief. "Also, by reducing greenhouse-gas emissions from hog operations, we can help meet our international commitments made at Kyoto to reduce Canada's emissions of certain greenhouse gases by six per cent of 1990 levels by

the year 2012."

The Hog Environmental Management Strategy (HEMS) is a joint initiative of AAFC and the Canadian Pork Council. HEMS will address the environmental challenges of expanded pork production by seeking effective and affordable new technologies and management practices; providing assistance to provincial producers' associations to develop and implement communication and public education strategies and programs; and supporting research and the transfer of information on hog-related environmental topics.

The funds originate from the Canadian Adaptation and Rural Development (CARD) fund.

Rural Dialogue reaches out from sea to shining sea

Rural Canadians from across the country will be given the opportunity to complete workbooks designed to capture the thoughts, ideas, challenges and success stories of Canada's rural residents as part of the Government of Canada's Rural Dialogue.

From now to July 31, rural Canadians will be encouraged to complete their workbooks, which contain background about some of the key issues facing rural Canadians. Information on how to participate in the Rural Dialogue is also being distributed to 5,000 Canada Post outlets in rural and remote Canada and through community newspapers.

The dialogue will combine the input from locally organized meetings, kitchen-table talks, individual

submissions and formal workshops across the country into an eventual Federal Rural Strategy. As part of the process, the input gathered from the workbooks and cross-country workshops will be compiled and reviewed at a national rural workshop in the fall.

"It's the discussion and the exchange of ideas that leads to opportunities being identified. Actions and solutions will follow from that," said Minister of Agriculture and Agri-Food Canada, and Minister responsible for rural affairs Lyle Vanclicf. "If we're going to succeed, we have to be creative in coming up with solutions to many of the issues facing rural Canadians today. This starts with people talking and sharing ideas on what they need and how best to take advantage of the

opportunities in their own communities."

There will be approximately 30 formal facilitated workshops held across the country where rural residents, stakeholder groups, and community development specialists will be asked what they see as priorities and opportunities in their communities.

The Rural Dialogue is part of the Government of Canada's Canadian Rural Partnership which was announced in the 1998 Federal Budget.

Rural Canadians can obtain copies of the workbook by calling the toll-free phone number (1-888-781-2222). They can also provide input through a toll-free fax number (1-800-884-9899) and a newly created rural Internet site (www.rural.gc.ca).

Minister Vanclicf's motto for Year 2000 problem: Be prepared

Should members of the agriculture and agri-food sector be concerned about the Year 2000 issue? Will it affect them and if so, how? What should they be doing about it?

If your business relies on a computer, fax machine or telephone; uses electricity, heat and water in order to operate; or uses computerized machinery, production equipment or vehicles with onboard computers, you could have a Year 2000 problem.

That is Agriculture and Agri-Food Canada Minister Lyle Vanclicf's warning to the agriculture and agri-food sector.

To help the sector prepare, AAFC has developed a web site designed to present useful information regarding the Year 2000 problem and increase awareness of it in

the private sector. The site is located on ACEIS, AAFC's electronic information system, at <http://www.agr.ca/policy/y2k/>

"AAFC is also developing articles and columns for agriculture-focused papers and publications in order to ensure that the industry -- from small family farms to big businesses -- is aware of the challenges presented by the Year 2000 problem," said Vanclicf.

For its own part, Agriculture and Agri-Food Canada's Year 2000 Team has compiled a comprehensive inventory of everything in the department that will have to be Year 2000 compliant. "The department has been working on its Year 2000 plan since 1995. There is a central project office, a management framework that operates across the department, and commit-

ted funding of nearly \$11 million," said Vanclicf. "The focus of this project is to update the department's application systems by a target date of December 31, 1998. Recent Treasury Board reports indicate that we are making progress at a rate that compares favourably with other departments."

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Promoting security, jobs and growth in agriculture and agri-food

Minister's Asia trip focusses on trade issues

Agriculture and Agri-Food Canada Minister Lyle Vanclief departed March 30 to represent Canada at a ministerial meeting of the Cairns Group of agricultural trading nations in Australia, and to promote Canadian interests in Asia.

In addition to the Cairns Group meeting in Sydney, Australia, involving ministers from 15 member nations, Mr. Vanclief is travelling to China, Singapore and The Republic of South Korea.

While in China, Mr. Vanclief is expected to meet with top officials to raise trade access issues, reaffirm Canada's support to

China's accession to the WTO and host a seminar on co-operatives.

"China is currently Canada's fifth-largest agricultural export market," said Mr. Vanclief. "It has been identified as a priority export market by the federal and provincial governments and represents a huge market for Canadian agriculture and agri-food producers."

During the Singapore leg of his trip, Mr. Vanclief will participate in the official opening of Food and Hotel Asia – the Association of South East Asian Nations region's largest trade show. During the show he will meet with the more than 60 Canadian companies,

representing the largest Canadian agri-food business delegation ever to participate in the show. In Korea, Mr. Vanclief will meet with the country's newly-appointed agriculture minister and hold bilateral discussions with a number of Korean agri-food importers.

The four-country mission wraps up on April 16 and is expected to give the Minister an opportunity to raise market access concerns during a number of bilateral discussions. In addition, Canada will have a better understanding of what to expect during upcoming global agricultural trade talks.

Ice storm assistance announced for rural Eastern Ontario

All farmers in Eastern Ontario, whether large or small operators, will be eligible for compensation for ice storm damage under a package announced by Agriculture and Agri-Food Canada Minister Lyle Vanclief and Ontario Minister of Agriculture, Food and Rural Affairs Noble Villeneuve.

As part of the package, the Minister announced a further \$20 million for damages not covered by the Disaster Financial Assistance Arrangements (DFAA)

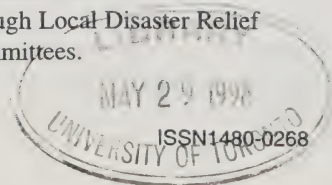
and economic recovery.

"The governments of Canada and Ontario recognize the magnitude of the losses faced by Eastern Ontario's farmers who were so adversely affected by what is now recognized as one of the greatest natural disasters in Canadian history," Mr. Vanclief said.

Farm enterprises, including producers of maple syrup, Christmas trees and farm-managed wood lots, will be eligible for compensation for extraordinary

expenses incurred as a result of the disaster.

The agreement provides a single point of access for farmers to apply for assistance. The package provides assistance for farmers not covered by private insurance and not eligible under other federal-provincial disaster assistance arrangements. Applications and funds will be distributed through Local Disaster Relief Committees.



AAFC investing in pest management research

Construction has begun on a new laboratory wing at the Southern Crop Protection and Food Research Centre (SCPFR) in London.

The London Centre will have the mandate of developing more environmentally friendly technologies for the protection of tree fruits, vegetables and field and ornamental crops from disease and insect pests; developing sustainable management practices for coarse-textured soils and determining the impact of agricultural practices on soil and water quality.

"The Government of Canada has long recognized the important contribution of integrated pest management to the future success of Canada's agricultural economy" stated Agriculture and Agri-Food

Minister Lyle Vancilief.

"The addition of new plant disease and insect management laboratories will enable the London centre to continue a tradition of combining excellence in science with the development of innovative pest control technologies that will provide environmentally sound pest management alternatives for the good of both Canadian agriculture and agri-food producers," he added.

The construction portion of the project represents an investment of \$5 million. The addition will enable the full integration of research programs at London through multi-disciplinary research teams in support of a more environmentally sustainable future.

Horticultural industry to get funding for quality assurance program

Agriculture and Agri-Food Canada is providing the Canadian Horticultural Council (CHC) with funding for pilot projects to test a new industry quality assurance system.

Minister of Agriculture and Agri-Food Canada Lyle Vancilief announced funding of \$451,000 for the pilot projects at the annual meeting of the CHC.

"Implementation of the quality assurance program by fresh fruit and vegetable growers will give them marketing advantages," said Mr. Vancilief. "By taking control of quality processes on their farms, they will provide the highest level of quality produce for export and domestic markets."

The quality assurance model to be tested by the CHC was developed by the Canadian Food Inspection Agency (CFIA). The pilot projects will cover activities currently carried out under CFIA's Fresh Fruit and Vegetable Program.

In partnership with CHC, the CFIA will work on the pilot program which will initially cover onions, apples and potatoes.

The Canadian horticultural industry is contributing \$152,000 to the pilot projects.

The funding from AAFC is from the Canadian Adaptation and Rural Development Fund (CARD), established in the 1995 Federal Budget. The \$60-million-per-year program was confirmed in the 1998 Federal Budget.

Manitoba receives funding for rural development

The Manitoba Rural Adaptation Council (MRAC) has received \$770,000 from Agriculture and Agri-Food Canada in support of rural development in Manitoba.

The funding is part of a \$1.9-million grant being provided to the council by the Government of Canada under the research and development section of the Canada Agri-Infrastructure Program (CAIP).

"The projects this program funds support infrastructure works and diversification opportunities in rural areas. These activities, in turn, help create economic spin-offs and employment in rural communities," said John Harvard, Parliamentary Secretary to Agriculture and Agri-Food Canada Minister Lyle Vancilief.

MRAC, established in November 1996, is one of several Manitoba organizations receiving CAIP funding.

"The council recognizes that innovation will be the foundation for competitiveness," said Leslie Jacobson, MRAC's chair. "Research to address future agricultural needs will form the basis to enhance the competitiveness of agriculture in Manitoba."

The CAIP funding is targeted at the following areas: applied research to develop required technologies, demonstration and evaluation of technology under Manitoba conditions, practical research on communications methodologies, and analysis of institutions that effectively deal with risk management and marketing.

Rural Canadians to have a voice in rural development framework

A "rural dialogue" aimed at developing a federal framework for rural development has been launched by Lyle Vancief, Minister of Agriculture and Agri-Food Canada (AAFC) and Minister responsible for rural affairs.

Mr. Vancief said AAFC's Rural Secretariat will, with input from teams in each province and territory, set up a dialogue with rural Canadians to build a solid foundation for the future direction of federal policy in rural Canada.

"If the federal government is to successfully assist rural development, it will be through partnerships," said Mr. Vancief. "Successful rural development

requires that the federal government work together with rural Canadians and with other levels of government.

"Initially the Government of Canada has committed \$20 million over four years to the Canadian Rural Partnership to identify opportunities for developing new partnerships and approaches to respond to rural issues," Mr. Vancief added.

Over the coming months, meetings will be held in several communities across the country to gain input directly from rural citizens.

"The meetings will provide an opportunity for rural Canadians to

give opinions on their current issues and priorities and to suggest improvements to federal programs and services. It will also provide opportunities to listen and learn from the experiences of one another," Mr. Vancief said.

Over the past year, the Government of Canada has worked to build stronger working relationships among its departments to coordinate all federal efforts across rural areas. This approach led the government to announce the "rural lens", a mechanism by which federal departments and agencies will test the impact on rural communities of future policies, programs and services.

Wildlife damage program gets \$27.8 million upgrade

Funding and coverage improvements for wildlife damage compensation programs in Saskatchewan have been announced by Agriculture and Agri-Food Canada Minister Lyle Vancief, Saskatchewan Agriculture and Food Minister Eric Upshall and Saskatchewan Environment and Resource Management Minister Lorne Scott.

The federal and provincial governments will be funding both waterfowl damage and big game damage programs. A one-time contribution of \$27.8 million is being made for compensation programs. The federal government is providing \$12 million to the Waterfowl Damage Compensation Program and \$5.8 million to the Big Game Damage Compensation

Program for start up and 1998-99 contributions.

The Saskatchewan government is contributing \$5 million to the Waterfowl Damage Compensation Program and \$5 million to the Big Game Damage Compensation Program. These funds are provided from 1997-98 federal and provincial safety net allocations.

"The changes being made to the two compensation packages give producers stronger coverage for damage inflicted by big game and waterfowl," said Mr. Vancief. "The Government of Canada is committed to working with the province of Saskatchewan to ensure the incomes of Saskatchewan's farmers are protected from these circumstances."

Under the program, producers will receive compensation for commercial crop losses caused by wildlife damage, up to a maximum of 85 per cent of the loss.

Payments will be made based on the grade in the field to reflect the actual harvested quality. Under the previous plan, claims were paid using the established crop insurance price for a base grade.

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Environmentally sustainable farming the focus of NSWCP

Alberta and British Columbia have received funds for projects aimed at environmental and agricultural sustainability under the National Soil and Water Conservation Program (NSWCP).

The funding was announced by Minister of Agriculture and Agri-Food Canada Lyle Vanclicf. "This funding will go a long way to ensuring the environmental efforts of farmers are supported while they continue to run their day-to-day operations," said Mr. Vanclicf.

The program supports community-based initiatives, technologies and practices that contribute to the sustainable use of Canada's

environment and agricultural resource base.

The program is being implemented by AAFC's Prairie Farm Rehabilitation Administration (PFRA) in Alberta, and by the industry-led British Columbia Investment Agriculture Foundation in B.C.

The NSWCP, a \$10-million, two-year program announced in May 1997, supports strategies under AAFC's Sustainable Development Strategy - *Agriculture in Harmony with Nature: Strategy for Environmentally Sustainable Agriculture and Agri-Food Development in Canada.*

Nutraceuticals industry receives boost

Western Canada's nutraceuticals industry has received a boost from the federal government through the Canada Agri-Infrastructure Program (CAIP).

CAIP funding of \$300,000 has been announced for the Canadian Nutraceuticals Innovation Centre (CNIC).

The funding was presented to Central Plains Inc., which, in partnership with the White Horse Plains Community Futures Development Corporation, will manage the CNIC project to establish and operate a resource centre in Portage la Prairie. The centre will contribute to the development of the nutraceuticals industry in Western Canada.

"The Canada Agri-Infrastructure Program is a real

investment in the people of Canada", said John Harvard, Parliamentary Secretary to Agriculture and Agri-Food Canada Minister, and Minister responsible for rural affairs Lyle Vanclicf. "With the help of this centre, enterprising Canadians will be able to develop innovative agri-food products that will enable them to diversify, create jobs and wealth in Western Canada and prepare for world markets in this leading-edge industry."

Nutraceuticals, or functional foods, possess health benefits in addition to basic nutrients. Benefits can include stimulating the immune system, preventing and/ or enhancing recovery from diseases, and reducing the effects of aging.

4-H Council headquarters on the move

Agriculture and Agri-Food Canada Minister Lyle Vanclicf, along with the Canadian 4-H Council, has announced a long-term lease agreement to allow the organization to locate its national headquarters on the grounds of the Central Experimental Farm (CEF).

"Synonymous with farming and rural life, the Central Experimental Farm is a natural location for 4-H," said Mr. Vanclicf, a former 4-H member and leader. "The move will not only provide cost saving measures for 4-H, but will also move the organization closer to its rural roots and enhance its partnership with Agriculture and Agri-Food Canada."

Agriculture and Agri-Food Canada has been a member of the Council since its inception, with its representatives actively serving on Council committees and the Board of Directors. Traditionally one of the 4-H programs staunchest supporters, AAFC is committed to Canada's rural youth in many ways. Among other initiatives, the department contributes \$300,000 to 4-H annually through a four-year funding agreement that supports provincial 4-H programs, the Canadian 4-H Council and the Rural Life Opportunities Program administered by the Council.

The national 4-H head office was located within Agriculture and Agri-Food Canada headquarters in the Confederation Building for the first 20 years of its existence.



agrivision

Promoting security, jobs and growth in agriculture and agri-food

Impact test views policies through rural lens

The Government of Canada has made a commitment to scrutinize all future federal policies through a rural lens, ensuring that rural Canada plays an important role in policy formulation.

Lyle Vancief, Minister responsible for Rural Affairs and Minister of Agriculture and Agri-Food Canada, said the rural impact test will focus on the

needs of Canadians in rural and remote communities.

Decision-makers will assess:

- the impact of new policies and programs on rural Canada,
- whether federal programs and services are accessible in rural areas, and
- whether there is flexibility for decision-making at the local level.

The concept of a rural impact test was raised in the March 1997 *Think Rural* report of the Standing Committee on Natural Resources.

"Rural development happens through many steps and this is one of them," said Mr. Vancief. "This new process is a starting point that should prove useful in improving the way the government as a whole serves rural Canadians."

More federal funds on way to speed recovery from ice storm

Part-time Quebec farmers who suffered ice-storm damage can look forward to \$50 million in further federal assistance.

"The ice storm had a tremendous impact on the lives of farmers and rural residents in Quebec. The Government of Canada realizes the magnitude of this impact and has responded with this funding package, and we will continue to respond in the future," said Agriculture and Agri-Food Canada Minister Lyle Vancief.

The Ice Storm Recovery Program package provides for part-time farmers the federal government share of what the Disaster Financial Assistance Arrangement provides for full-time farmers.

This amount corresponds to

the contribution the Government of Canada would have made under a 50-50 cost-shared program with the Quebec government.

January's ice storm also ravaged eastern Ontario, and at printing time, discussions were underway between the Government of Canada and that province to ensure fair and equitable compensation for farmers and rural residents affected by the storm.

In Quebec, the \$50-million package complements the Federal Office for Regional Development (Quebec) (FORD-Q) Economic Recovery Assistance Program (ERAP) announced by the federal government Feb. 13.

The \$100 million ERAP pro-

gram will provide assistance to small and medium-sized Quebec enterprises such as agri-food cooperatives and agri-food and rural companies.

The assistance will also fund research to evaluate the medium- to long-term impact of the storm on production, determine implications and developmental requirements for disaster prevention and communicate technological information to the sector.

"These packages are important for rural Canadians living in Quebec," said Mr. Vancief. "They demonstrate the Government of Canada's ongoing commitment to ensuring the economic well-being of rural communities."

Central Experimental Farm named as heritage site

Secretary of State (Parks) Andy Mitchell has announced the designation of Agriculture and Agri-Food Canada's Central Experimental Farm in Ottawa as a National Historic Site. Lyle Vancief, Minister of Agriculture and Agri-Food Canada, welcomed the announcement, which recognizes the Central Experimental Farm's significance as a cultural landscape.

"Ottawa's Central Experimental Farm is indeed a showcase," said Mr. Mitchell. "Since its establishment in 1886, this farm has held a special place in the heart of the people of the Ottawa area and Canada as a whole, both for its grandeur and its accomplishments. As Canadians, we can take pride in all facets of this, our newest National Historic Site."

"Agriculture and Agri-Food Canada is pleased to have the Central Experimental Farm recognized as a National Historic Site," said Mr. Vancief. "The Central Experimental Farm has played a leading role in Canadian agricultural history from the development of Marquis wheat to the birth of the frozen food industry, and our researchers here will continue to make important advances in agricultural science."

The Central Experimental Farm (CEF) was designated a National Historic Site because as a cultural landscape it reflects the 19th-century philosophy of agriculture, which was a commitment to progress achieved through a blend of scientific knowledge, order,

efficiency and good planning.

In that context, the CEF integrates a model farm, an administrative and scientific core, and a range of other buildings with an arboretum, ornamental gardens, display beds and experimental fields in a picturesque

composition.

The farm occupies more than 400 hectares in the heart of the nation's capital. As a rare example of a farm within a city, it has become a symbol of the central role agriculture has played in shaping the country.

APPOINTMENTS

National Farm Products Council

Agriculture and Agri-Food Canada Minister Lyle Vancief announced the appointment of Ron O'Connor of Shelburne, Ontario, and David Coburn of Fredericton, New Brunswick, to the National Farm Products Council (NFPC).

Mr. O'Connor is a former chairman of the Chicken Farmers of Ontario and has an extensive background in Canada's poultry industry.

Mr. Coburn is a former chairman of New Brunswick's Agriculture Advisory Committee on the Environment.

The National Farm Products Council was established in 1972 and operates under the Farm Products Agencies Act. The Council advises the Minister on matters relating to agencies established under the Act.

CFIA Advisory Board

Agriculture and Agri-Food Canada Minister Lyle Vancief has announced the appointment of his Ministerial Advisory

Board on the Canadian Food Inspection Agency (CFIA).

Paul Massicotte is the chairman of the board. He is president of Coopérative fédérée de Québec and owns a mixed dairy and vegetable farming operation in that province.

The other board members are Ronald E. Cameron, Marnie McCall, Deborah Whale, Jack Wilkinson and Ian Craig Munro (all from Ontario); Pearl Cooper (from Quebec); Bill Dunlop (from New Brunswick); Deborah Haines (from Saskatchewan); Michael Hunter (from British Columbia); Elizabeth Spangler (from Prince Edward Island) and Ben Thorlakson (from Alberta).

The Canadian Food Inspection Agency is responsible for all federally-mandated inspection services related to food safety and animal and plant health programs.

The Agency reports to Parliament through the Minister of Agriculture and Agri-Food Canada.

Program boosts support for management training

Lyle Vanclicf, Minister of Agriculture and Agri-Food Canada, and Guy Julien, ministre de l'Agriculture, des Pêcheries et de l'Alimentation du Québec, have announced the signing of a new Canada-Quebec Agreement on Farm Business Management.

The agreement is worth more than \$3 million and is effective until March 31, 1999. It is designed to improve farmers' knowledge and skills in key areas of farm management such as farm adaptation, marketing, maximization of profit, and enhancement of productivity and competitiveness. The aim is to increase

the financial viability of Quebec farms and enable them to fully exploit markets at home and abroad.

The Government of Canada will contribute more than \$1.5 million under the Canadian Farm Business Management Program (CFBMP). The Government of Quebec will make a matching contribution of more than \$1.5 million through its Services-conseils de groupe program.

This agreement with Quebec falls under the four-year renewal of the CFBMP announced in the 1995 Federal Budget.

Special crops and futures Bill addresses needs of grain industry

An Act to amend the Canada Grain Act and the Agriculture and Agri-Food Administrative Monetary Penalties Act and to repeal the Grain Futures Act has been tabled in the House of Commons.

The amendments to the Canada Grain Act would provide a separate licensing and security program for the special crops industry in western Canada. The program would combine affordable licensing of special crops dealers with a voluntary insurance plan for producers.

The inclusion of the Canada Grain Act within the Administrative Monetary Penalties Act (AMPA) would allow the CGC to impose monetary penalties for most violations of the Canada Grain Act and

Regulations. Enforcement tools currently in the Canada Grain Act are limited, severe and costly to impose. This change is in keeping with the government's overall plan to perform important regulatory functions in a more efficient and cost-effective way.

The proposed legislation also would repeal the 58-year-old Grain Futures Act.

If passed, it would clear the way for the Manitoba Securities Commission to assume sole responsibility for regulating the Winnipeg Commodities Exchange and its clearing house. This would allow the exchange to proceed with plans to expand trading into non-grain commodities, such as hogs, without having to deal with regulators from two levels of government.

Update of swine centre improves research capability

A renovation of the swine research facilities at the Dairy and Swine Research and Development Centre in Lennoxville, Quebec, will help researchers there conduct leading-edge research that will sustain the competitiveness of Canadian hog producers.

The centre is one of 18 Agriculture and Agri-Food Canada national research centres located across the country. Under the project, estimated at more than \$5 million, buildings constructed in the 1950s and 1960s will be replaced with modern, energy-efficient facilities, including a new manure management system and animal quarters.

The renovation will ensure the centre better meets the needs of hog producers by carrying out research on the growth and survival of piglets, milk production in sows, meat quality, manure management and the living conditions of hogs. Renovations will begin in the spring of 1998 and be completed in January 1999.

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Canada, Manitoba join forces to promote growth of agri-food industry

The Agri-Food Research and Development Initiative Program (ARDI) is a new vehicle to support Manitoba's agri-food sector.

Over the next two years, the governments of Canada and Manitoba will each contribute about \$6.8 million to projects aimed at enhancing agri-food research and development.

Project proposals will be solicited from individuals, associations, commodity groups, local organizations, agri-businesses and institutions.

Approved projects will receive financial assistance for initiatives related to the needs of industry such as developing ways

to process commodities into value-added finished food products, targeting opportunities for new or alternative commodities and removing obstacles to the expansion of existing commodities. On average, proponents will be required to provide approximately 50 per cent of the project's costs.

Proposals must comply with Canada's international trade obligations, must not duplicate, overlap or replace any other federal or provincial initiative and must be approved by March 31, 1999.

A Program Council, chaired by Dr. Clay Gilson of the University of Manitoba, will evaluate proposals and make final

decisions on funding. The council will begin accepting applications by early spring. Applications will be made available through the ARDI administrator and at Manitoba government agricultural regional offices.

The federal funding for this initiative comes from agriculture safety net money set aside for Manitoba's companion programs in the 1997-98 and 1998-99 budgets. Companion programs are designed to meet the needs of individual provinces and complement national safety net programs.

Canada, Peru to work together on potato research

Agriculture and Agri-Food Canada (AAFC) has signed a ground-breaking agreement with the International Potato Centre (Centro Internacional de la Papa or CIP) in Peru.

The agreement clears the way for the exchange of expertise, information and genetic materials between the International Potato Centre (CIP) and AAFC research centres participating in the Canadian Potato Research Network.

The first scientific exchanges between the CIP and the Crops and Livestock Research Centre in Charlottetown and the Potato Research Centre in Fredericton began in January 1998.

The exchange is expected to generate collaborative research into new, hardier potato varieties.

Potatoes are the fourth largest field crop in the world.

Saskatchewan facility to develop innovative non-food products

Humboldt, Saskatchewan will be home to a new facility to test ways to turn Prairie crops into products such as automobile dashboards and interior door panels.

The Crops Processing Development Centre will be built and operated by the Prairie Agricultural Machinery Institute (PAMI) with the assistance of \$1.4 million from the Canada/Saskatchewan Agri-Food Innovation Fund (AFIF). Construction is to start in May 1998, and the centre is expected to be operational in December.

Extracting and refining structural agro-fibre from crops is a growth industry. Recent technological advances in fibre extrac-

tion mean that mass-produced items such as automobile dashboards and door panels could soon be made from fibre crops such as flax, and chipboard could be manufactured from straw. As a result, a new industry is being built around this development on the Prairies.

The \$91-million Agri-Food Innovation Fund is funded two-thirds by the federal government and one-third by the province.

The fund promotes and supports emerging primary production and value-added processing activities in Saskatchewan through eight key sectors of the agriculture economy, including non-food processing.



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